
THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

Bank of America Future of Financials 2016

November 16, 2016

Glenn Youngkin
President and Chief Operating Officer

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The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle's funds or its other existing and future funds will achieve similar returns. See "Risk Factors — Risks Related to Our Business Operations — The historical returns attributable to our funds, including those presented in this report, should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our common units" in the Annual Report. As used throughout this document, and unless otherwise indicated, "Gross IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and, in the aggregate are substantial. "Net IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest (but not taxes borne by investors). "Gross MOIC" represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. In considering investment performance information contained in this presentation, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Carlyle or any Fund will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Unless otherwise specified, LTM, or last twelve months refers to the period of Q4 2015 through Q3 2016, and the prior rolling 12-month period refers to the period Q4 2014 to Q3 2015.

Detailed information about Carlyle's management fees and performance fees is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds, funds advised by NGP Energy Capital Management and Carlyle's hedge funds. Please note that the Legacy Energy Funds (as defined in Carlyle's public filings), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisers to each of the Legacy Energy Funds. Currently, Carlyle is only entitled to carried interest and management fees in certain funds advised by NGP Energy Capital Management. The NGP Energy Capital Management funds which solely earn management fees are referred to herein as "NGP management fee funds." With respect to certain of our hedge funds (Claren Road Asset Management and Emerging Sovereign Group and Carlyle Commodity Management), Carlyle has a specified percentage of the earnings of the businesses based on Carlyle's ownership in the management companies. This presentation includes comparisons to certain private equity returns to MSCI World Index and other indexes and such comparisons are provided for informational purposes only. The private equity returns do not represent the performance of any Fund or family of Funds. Recipients should not infer that any Fund is top quartile. There are significant differences between the types of securities and assets typically acquired by U.S. and global buyout funds, the investments covered by the indexes.

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Distributable Earnings ("DE") and EBITDA. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measure prepared in accordance with GAAP. Please see Carlyle's public filings for the definition of "carry funds," "Fee-earning assets under management" or "Fee-earning AUM," (FEAUM), and "Assets under management" or "AUM."

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated, investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period and the average spot rate for the period has been utilized when presenting multiple periods. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Economic Net Income (ENI) and Distributable Earnings (DE). These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

Four Focus Areas

1. Carlyle Overview and Recent Performance
2. Positioned for Long Term Growth
3. Working to Improve GMS and Investment Solutions
4. Putting it all together

Carlyle is a Leading Global Alternative Asset Manager

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\$124 billion Fee-Earning AUM • \$789 million DE (LTM)

Corporate Private Equity

\$38 bn Fee-Earning
AUM

\$629 mm DE (LTM)

Industry leading
buyout and growth
investing platforms

Diverse geographic
and sector-based
family of funds

Real Assets

\$36 bn Fee-Earning
AUM

\$120 mm DE (LTM)

Leading U.S. Real
Estate investor

Broad Energy &
Natural Resources
platform

Attractive growth
opportunities

Global Market Strategies

\$29 bn Fee-Earning
AUM

\$22 mm DE (LTM)

Building a global
diversified credit and
lending business

Scaling carry funds
and developing new
investment products

Investment Solutions

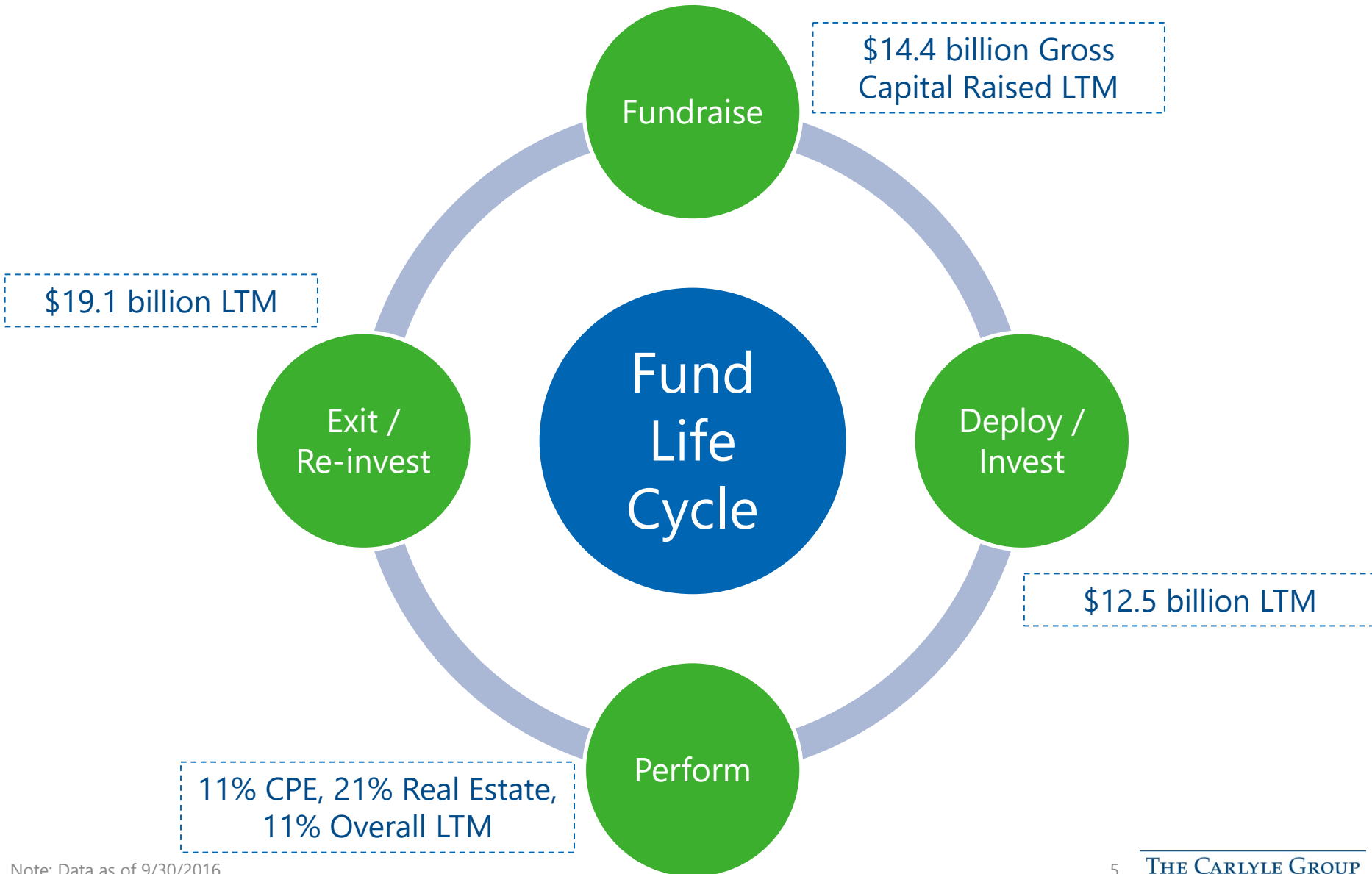
\$28 bn Fee-Earning
AUM

\$19 mm DE (LTM)

Secondaries,
Coinvestment, and
Fund of Funds
products in Private
Equity/Real Estate

Opportunity to grow
performance fees

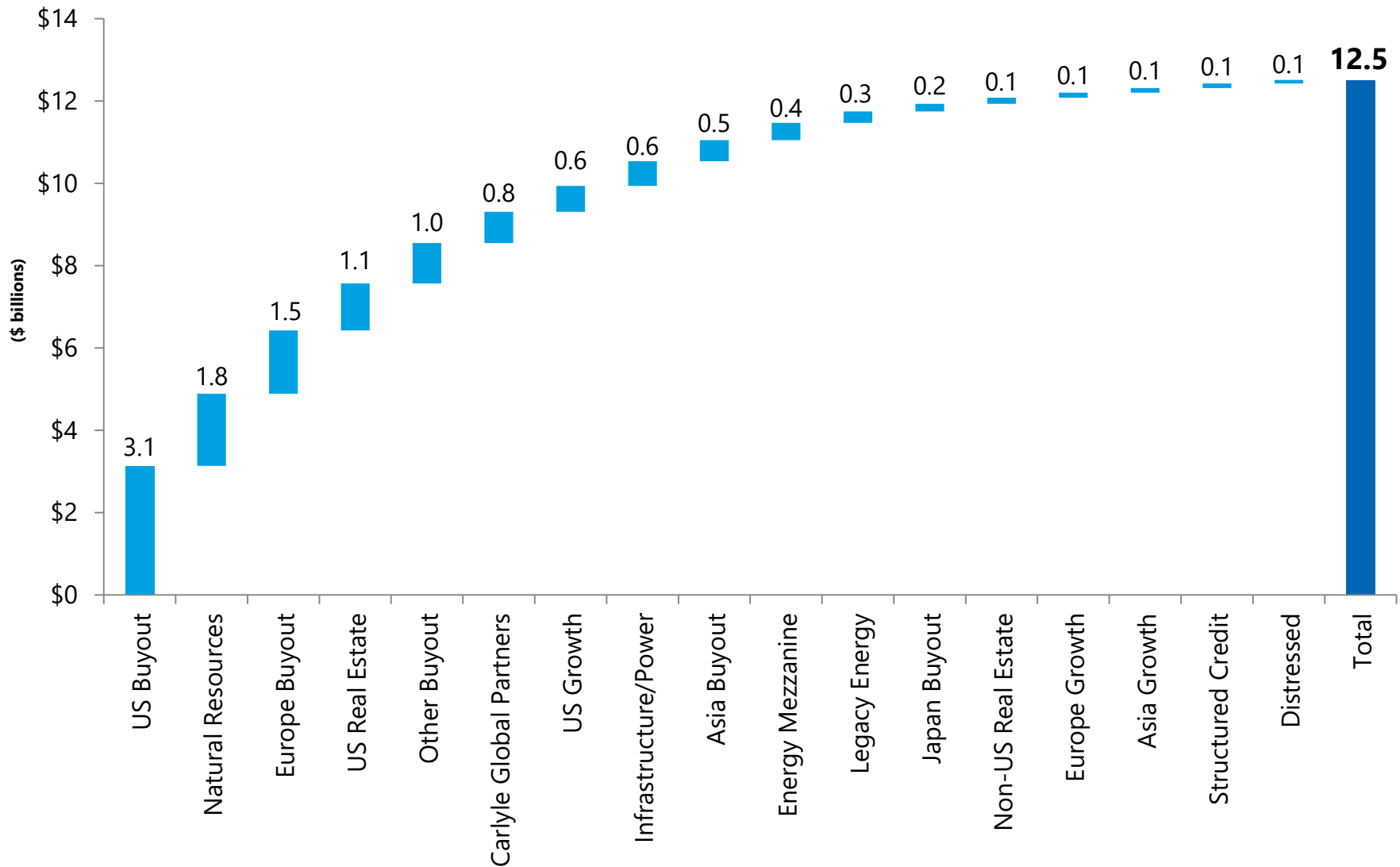
The Core Drivers of Our Firm Continue to Operate at High Levels



Note: Data as of 9/30/2016.

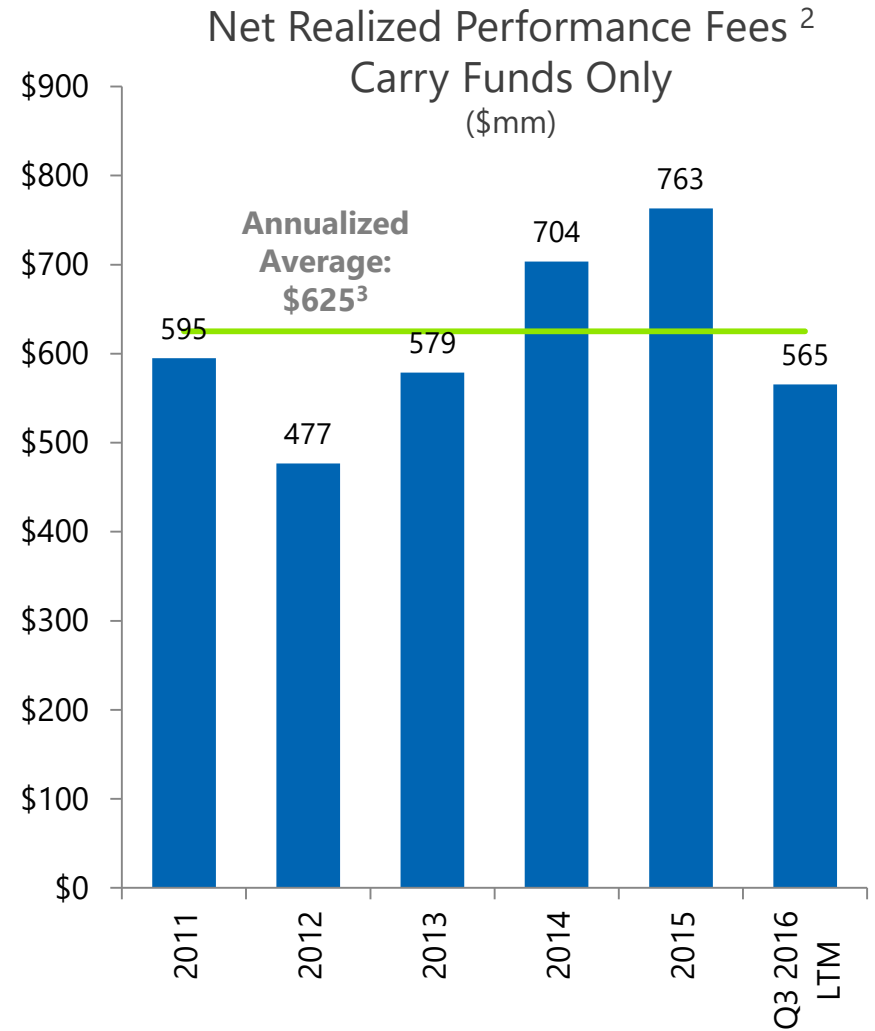
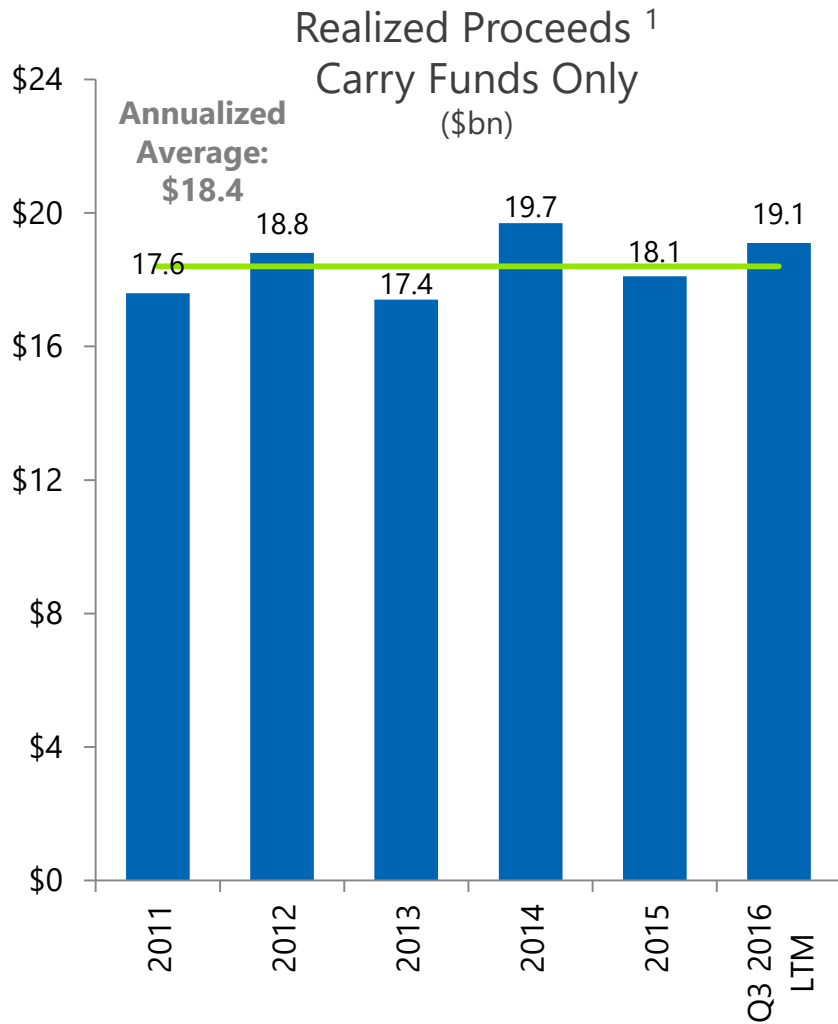
For illustrative purposes only. Deployment, performance and exit amounts represent carry fund activity only.

Carlyle Has Invested \$12.5 Billion Over the Past Year Across A Wide Diversity of Geographies and Strategies



Note: Data as of 9/30/2016. Carlyle carry fund investment only. Period of investment is Q4 2015 to Q3 2016.

Carry Fund Realized Proceeds Have Been Remarkably Consistent, while Net Realized Performance Fee Generation Accelerated Through 2015



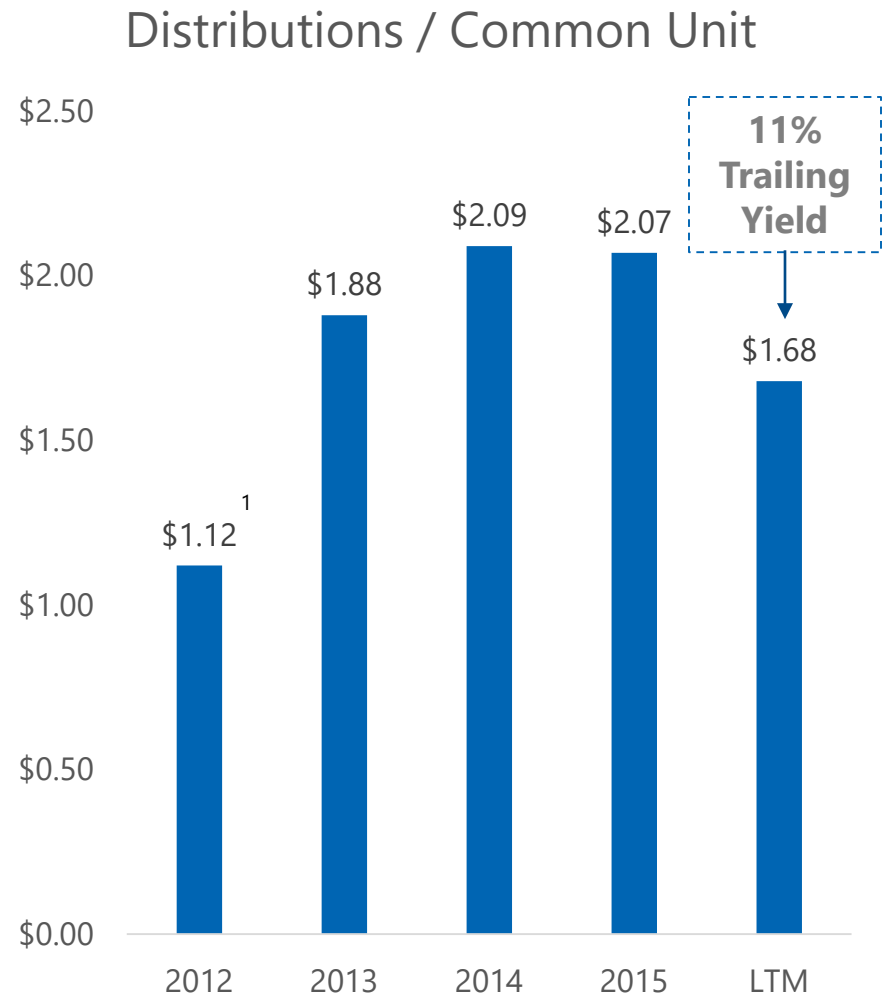
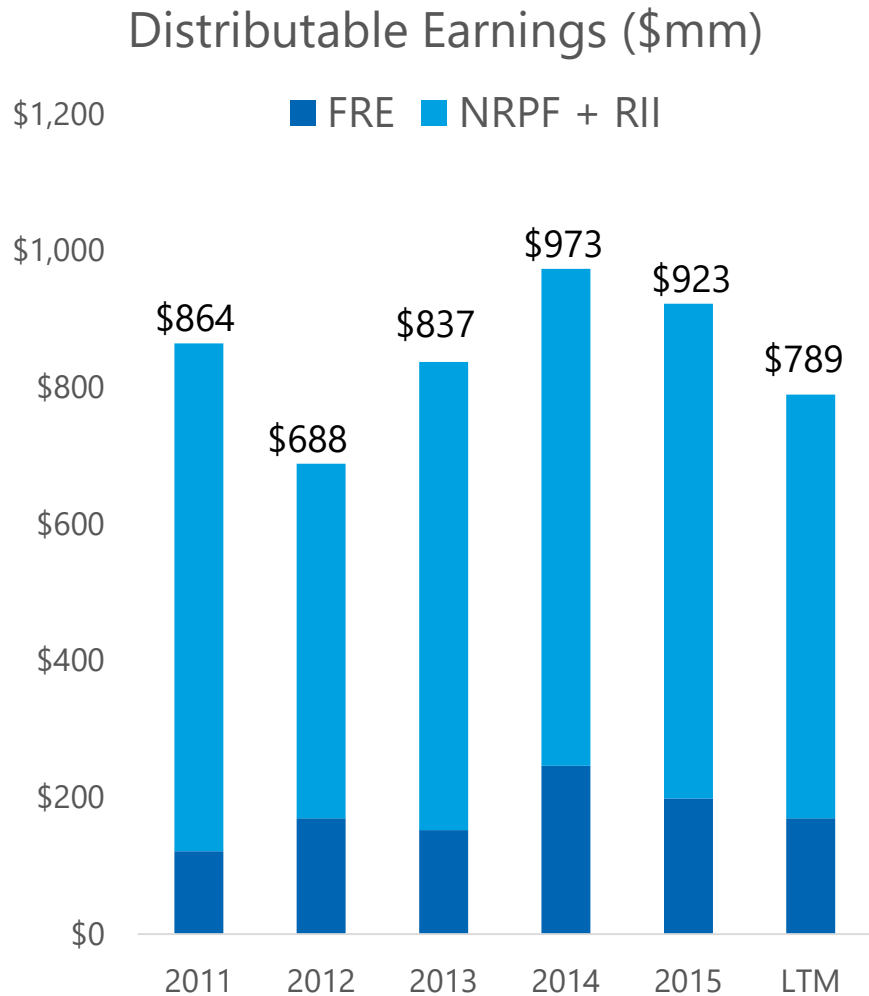
Note: Data as of 9/30/2016. There is no guarantee these trends will continue.

1) Realized Proceeds for carry funds only.

2) Net Realized Performance Fees are for carry funds only, and do not include realized performance fees from CLOs, hedge funds, BDC or Investment Solutions vehicles.

3) The annualized average is calculated using an annualized simple average of all quarterly periods from Q1 2011 to Q3 2016.

We Continue To Generate Strong Cash Earnings



Note: LTM is last twelve month period, or 4Q 2015 to 3Q 2016. Trailing yield calculated as the LTM distributions per common unit divided by the recent unit price. There is no guarantee this trend will continue.

1) The 2012 distribution per common unit represents the time Carlyle was public following its IPO in May 2012.

Changing Political Landscape Will Almost Certainly Include Major Policy Shifts

- Comprehensive Tax Reform
- Infrastructure
- Financial Services “de” regulation
- Healthcare
- Defense Spending
- Border Security
- International Trade



Uncertainty / volatility remains

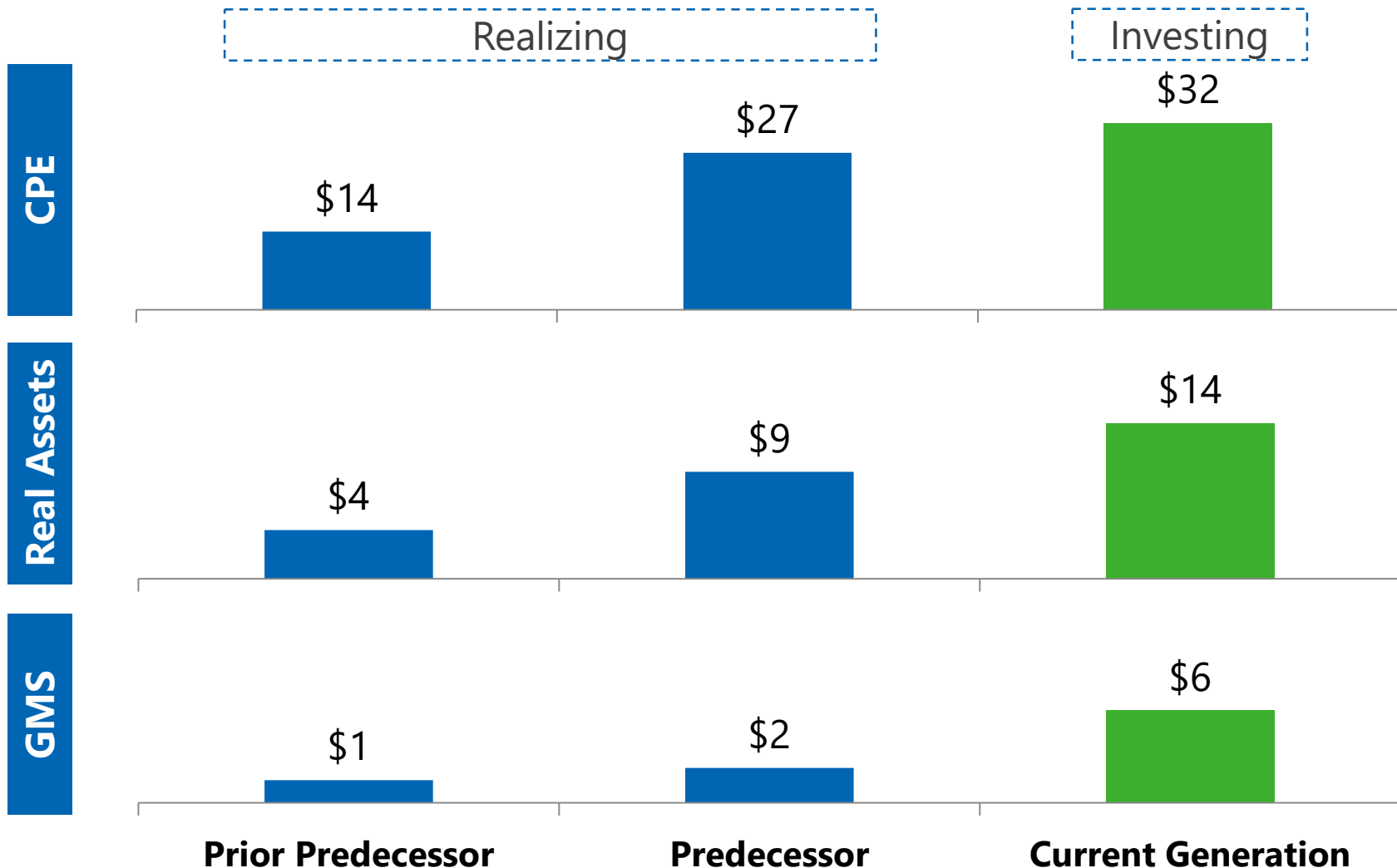
We do some of our best work in times with uncertain outcomes

Four Focus Areas

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Our Carry Fund Platform Has Scaled and Enhanced Earnings Capacity...

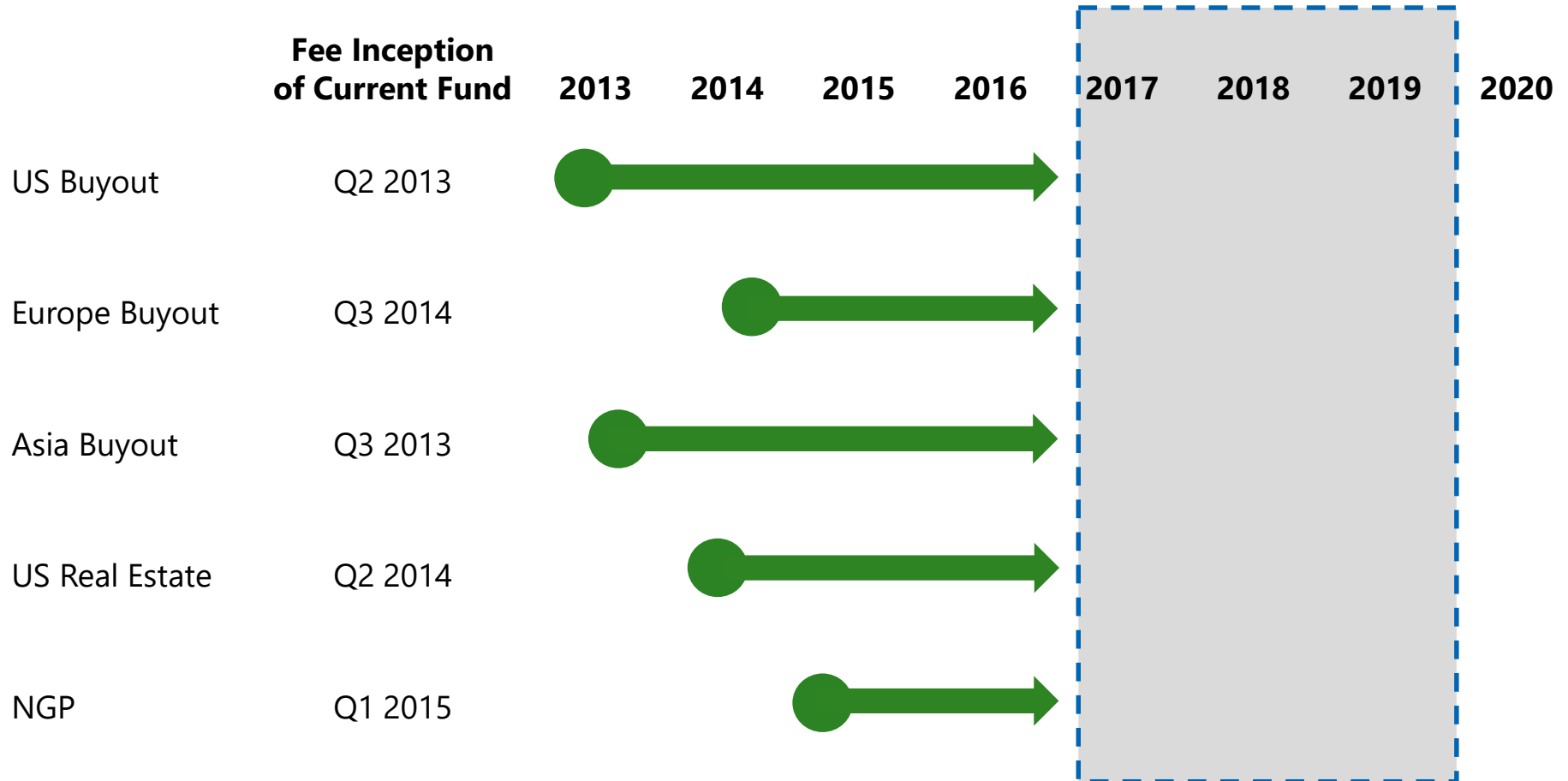
Total Fund Commitments (USD in \$ billions)



Note: Data as of 9/30/2016. Non-USD funds translated at the 9/30/2016 spot rate. There is no guarantee these trends will continue. See pages 30, 36, 39 for more information.

...And Now Our Next Wave of Fundraising Is On The Horizon

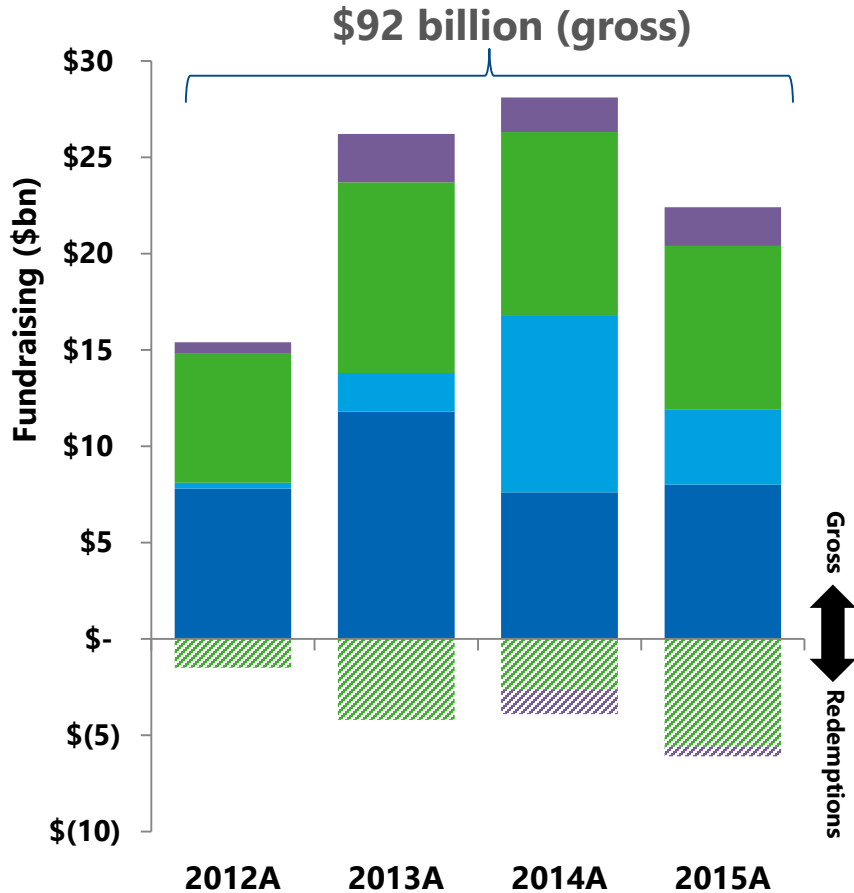
Many of our largest carry funds are mid-investment period and are likely to return to fundraising beginning in 2017



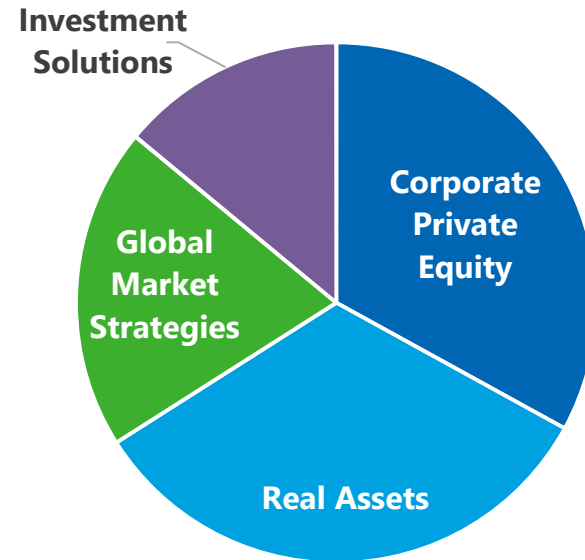
Note: Hypothetical example presented for illustrative purposes only, and does not reflect a forecast of fundraising timing.

We Have Substantial But Realistic Goals For the Coming Cycle

■ Corporate Private Equity
 ■ Real Assets
 ■ Global Market Strategies
 ■ Investment Solutions



2016-19 Gross Fundraising Target:
~\$100 billion



Note: Fundraising includes gross inflows for open-end products above the line, with redemptions below the line. Historical fundraising figures exclude acquisitions. Reflects Management's views as of 11/16/16. Please see "Important Information" slides for information about the use of and reliance on projections.

A Healthy Balance of \$1.2 Billion In Net Accrued Performance Fees Today

Carlyle remains well positioned to deliver strong near and mid term realized performance fees

Q4 realizations already include Commscope, CVC, Centennial Resources, several real estate and other transactions

(\$mm)	Net Accrued Performance Fees (NAPF, beginning of year)	Net Realized Performance Fees	% of Beginning NAPF Realized
2011	1,050	678	65%
2012	1,036	501	48%
2013	1,200	675	56%
2014	1,823	733	40%
2015	1,752	789	45%
2016	1,315	490 (YTD)	37%

Note: Data as of 9/30/2016. Net accrued performance fees were \$1,315 million at 12/31/2015 and \$1,170 million at 9/30/2016. There is no guarantee these trends will continue.

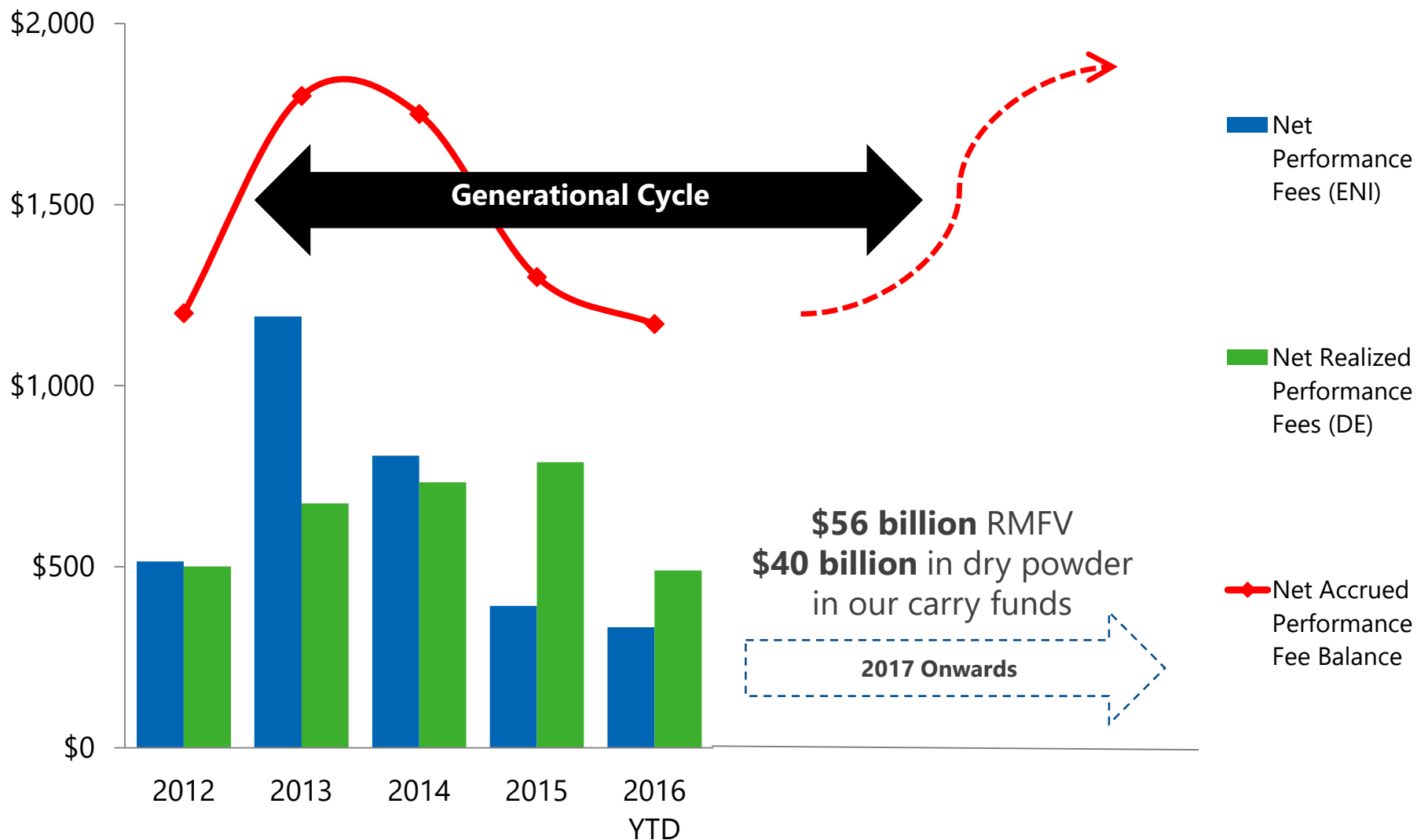
Several Of Our Most Recent Vintage Funds Are Performing Very Well

Fund	Vintage Year	Size (bn)	Total MOIC	In Accrued Carry?	% Invested / Committed ¹
Carlyle Partners VI	2013	\$13.0	1.3x	✓	59%
Natural Gas Partners XI	2014	\$5.3	1.3x	✓	72%
U.S. Real Estate VII	2014	\$4.2	1.2x	✓	62%
Carlyle Asia Partners IV	2013	\$3.9	1.2x		60%
Carlyle International Energy I	2013	\$2.5	1.3x		29%
Carlyle Japan III	2013	¥120	1.4x	✓	50%

Note: Data of 9/30/2016

1) Invested or committed includes actual equity invested as of 9/30/2016, as well as capital committed for transactions to be deployed in future periods.

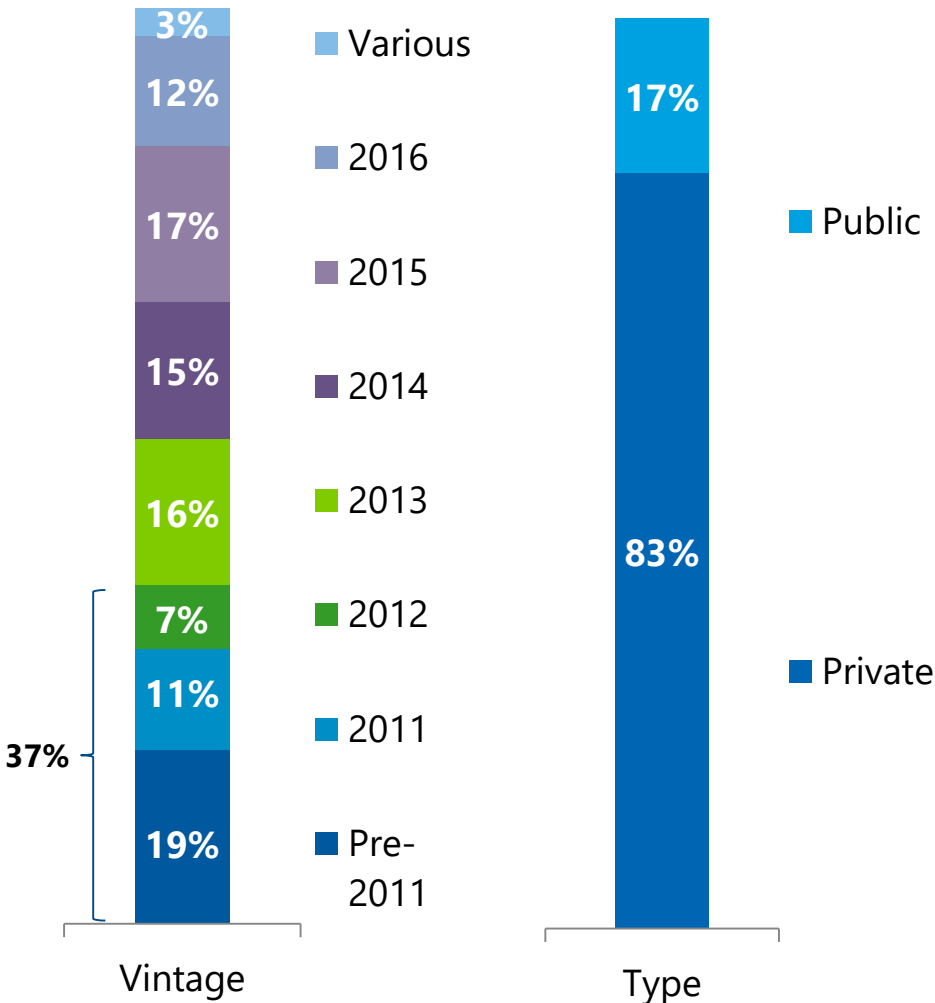
Delivering Strong Fund Performance Will Help Replenish Our Accrued Carry Balance As Our Funds Move Into Carry



Note: Data as of 9/30/16. Hypothetical example presented for illustrative purposes only.

Investments Remain Well Diversified Across Age and Public/Private

Remaining Fair Value of Carry Fund Portfolio¹ - \$56 billion



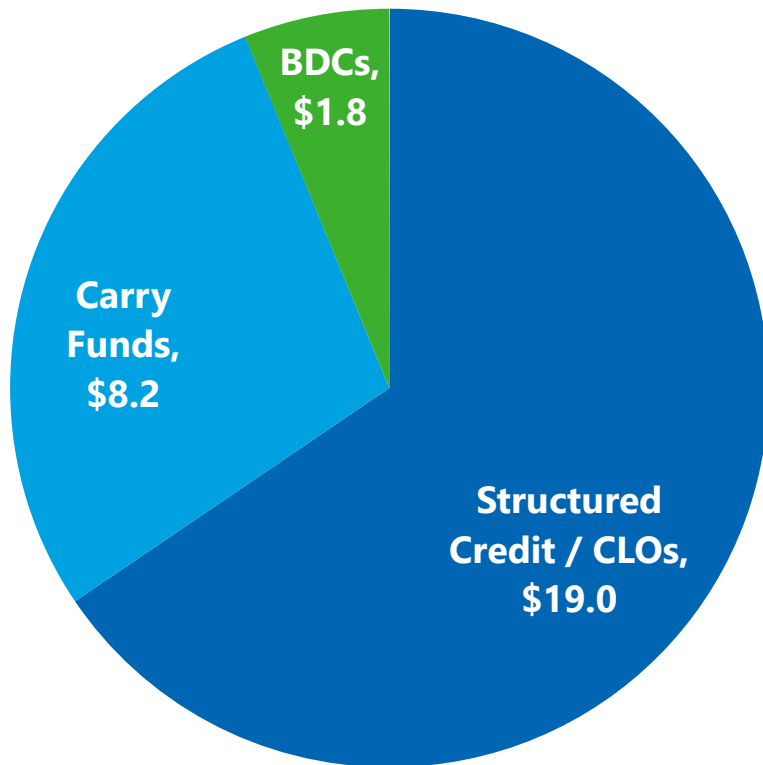
“Aging” of investments remains diversified across years with 37% of RMFV invested in 2012 or earlier

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Global Market Strategies: Focused on Deepening and Broadening Our Current Global Credit Capabilities

Focused on expanding our nearly \$30 billion credit business
(\$bn, as of Q3 2016)



Broadening and deepening global credit capabilities

Strengthening current strategies and developing new capabilities and fund opportunities

Reducing exposure to trading businesses

Investment Solutions: Three Distinct Strategies Across Two Platforms



Private Equity Solutions

Founded: 1999
Acquired: July 2011



Real Estate Solutions

Founded: 2002
Acquired: Nov. 2013

Fund Portfolios

Secondaries

Coinvestment

AUM: \$28.7 bn

AUM: \$9.4 bn

AUM: \$6.4 bn

Currently raising \$6 billion+ for AlpInvest Secondaries program and in the early stages of new direct partnership investment fund

AlInvest Strong Performance Should Drive Future Performance Fee Growth

	Commitment Size (€bn)	Vintage Year	% Invested	Gross / Net IRR
AlInvest Secondaries Fund IV	€1.9	2010	105%	19% / 18%
AlInvest Secondaries Fund V	€4.3	2011	82%	22% / 20%
AlInvest Coinvestment Fund V	€1.1	2012	94%	36% / 33%
AlInvest Coinvestment Fund VI	€1.1	2014	66%	18% / 14%
AlInvest Fund Investment V	€5.1	2012	53%	8% / 7%
AlInvest Fund Investment VI	€1.1	2015	10%	NM

Carlyle's performance fee generation should grow over time as funds launched after our 2011 acquisition move through a European waterfall

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Well Positioned to Continue to Deliver Solid Economic Results

\$789 million in Distributable Earnings over the last 12 months resulting in **\$1.68** in unitholder distributions (> 10% trailing yield)

Embarking on a **\$100 billion fundraising period**

Still have **\$40 billion in carry fund dry powder** and \$54 billion overall to deploy globally on an opportunistic basis

\$1.2 billion in Net Accrued Performance Fees across all segments and funds

Leading carry fund **Investment Performance**: 11% Appreciation Corporate Private Equity and 21% Appreciation Real Estate on an LTM basis

Focused efforts to **improve performance in GMS and Investment Solutions**

Repurchased \$54 million of a \$200 million unit repurchase authorized in 1Q 2016

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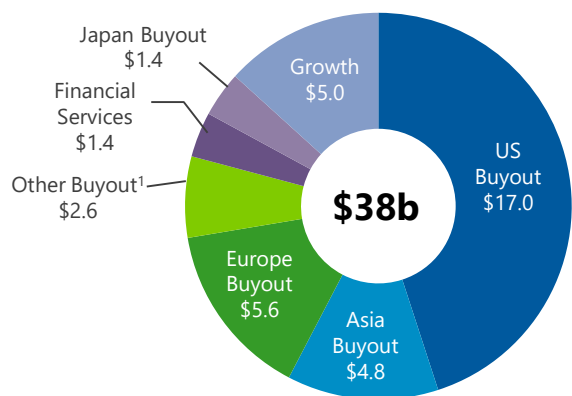
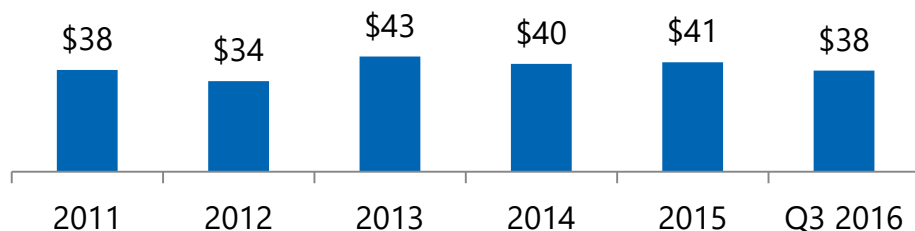
Appendix

Corporate Private Equity

(CPE)

Scaled CPE Platform With Superior Long Term Performance, Positioned to Deliver Strong Cash Flow In the Future

Fee-Earning Assets Under Management (\$bn)



Financial Metrics (\$mm)

	2013	2014	2015	LTM Q3 2016
Fee Related Earnings	\$9	\$129	\$106	\$89
Net Realized Perf. Fees	513	644	669	492
Distributable Earnings	538	790	798	629

Note: Data as of 9/30/2016.

1) Comprised of Carlyle Global Partners (\$0.7b), MENA Buyout (\$0.2b), Peru Buyout (\$0.2b), South America Buyout (\$0.7b) and Sub-Saharan Africa Buyout (\$0.6b)

Key Points

- ❑ **Superior, diversified track record**
 - 2.5X MOIC on realized and partially realized investments
 - 13 significant fund families
 - Experience across multiple deployment and exit cycles

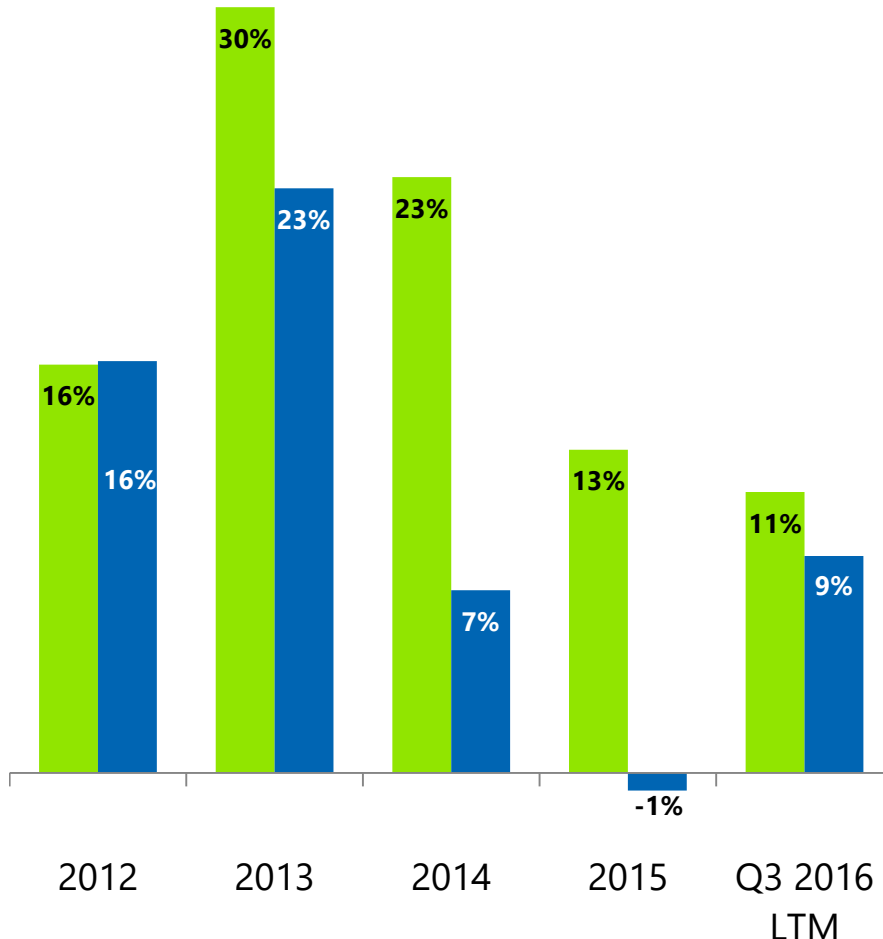
- ❑ **Positioned to deliver future performance fees**
 - \$34 bn remaining fair value (as of 3Q16)
 - 26% of RMFV invested prior to 2012

- ❑ **Successor funds and new funds building a superior CPE platform**
 - Significant funds have been reloaded in past three years
 - \$20.7 bn of dry powder (as of 3Q16)

CPE Carry Fund Returns Remain Exceptional, Materially Outpacing Global Equity Indices

Annual Carry Fund Performance

■ Carlyle CPE Carry Funds ■ MSCI ACWI



- Carlyle carry funds have consistently outperformed global equity indices (1,500 bps outperformance in 2015)
- 2.5X multiple of invested capital (MOIC) and a 28% gross IRR on realized/partially realized CPE investments since inception
- Recent funds remain high performers

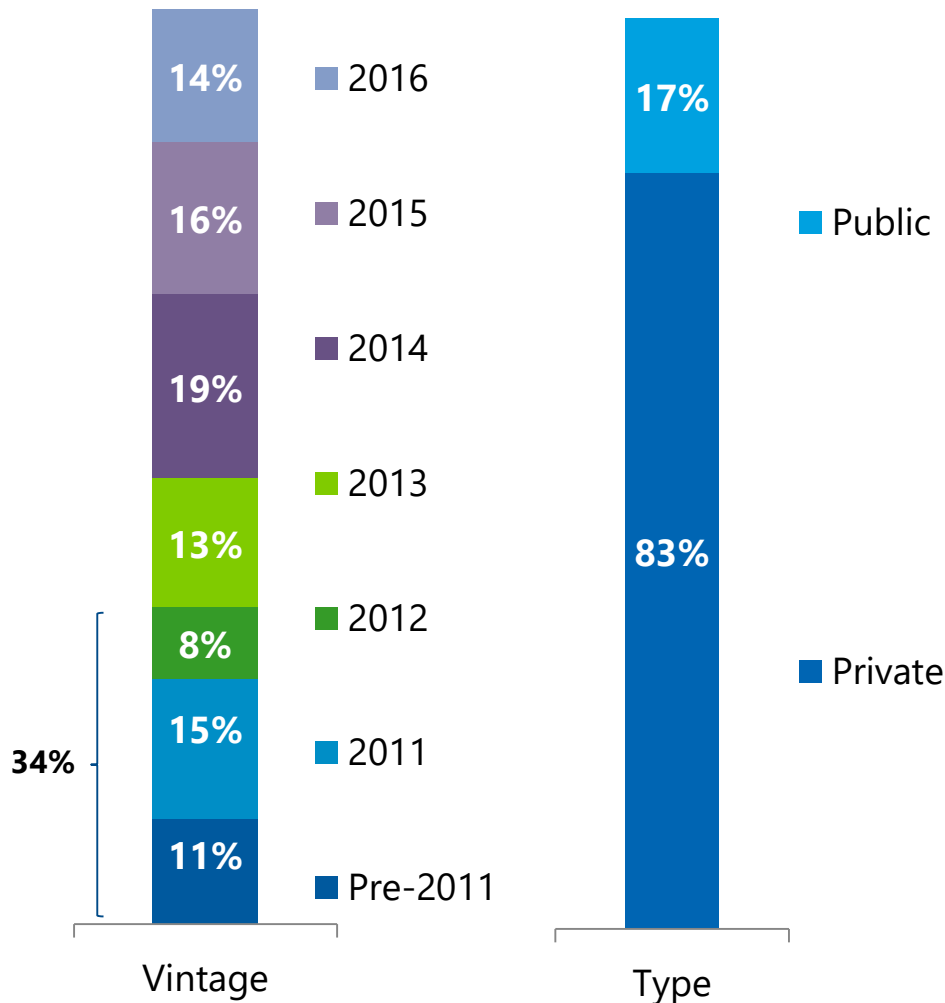
Fund	Inception Year	R/PR ¹ MOIC	R/PR ¹ Gross IRR
CP V	2007	2.6X	27%
CEP III	2006	2.6X	22%
CAP III	2008	1.7X	16%
FIG I	2008	2.2X	25%
CEOF I	2011	2.7X	47%

Note: Data as of 9/30/2016. See "important Information" for information about the comparison to indexes. MSCI ACWI index is presented in local currency.

1) Realized/partially realized investments.

CPE Investments Remain Well Diversified Across Age and Public/Private

Remaining Fair Value of CPE Carry Fund Portfolio¹ - \$34 billion



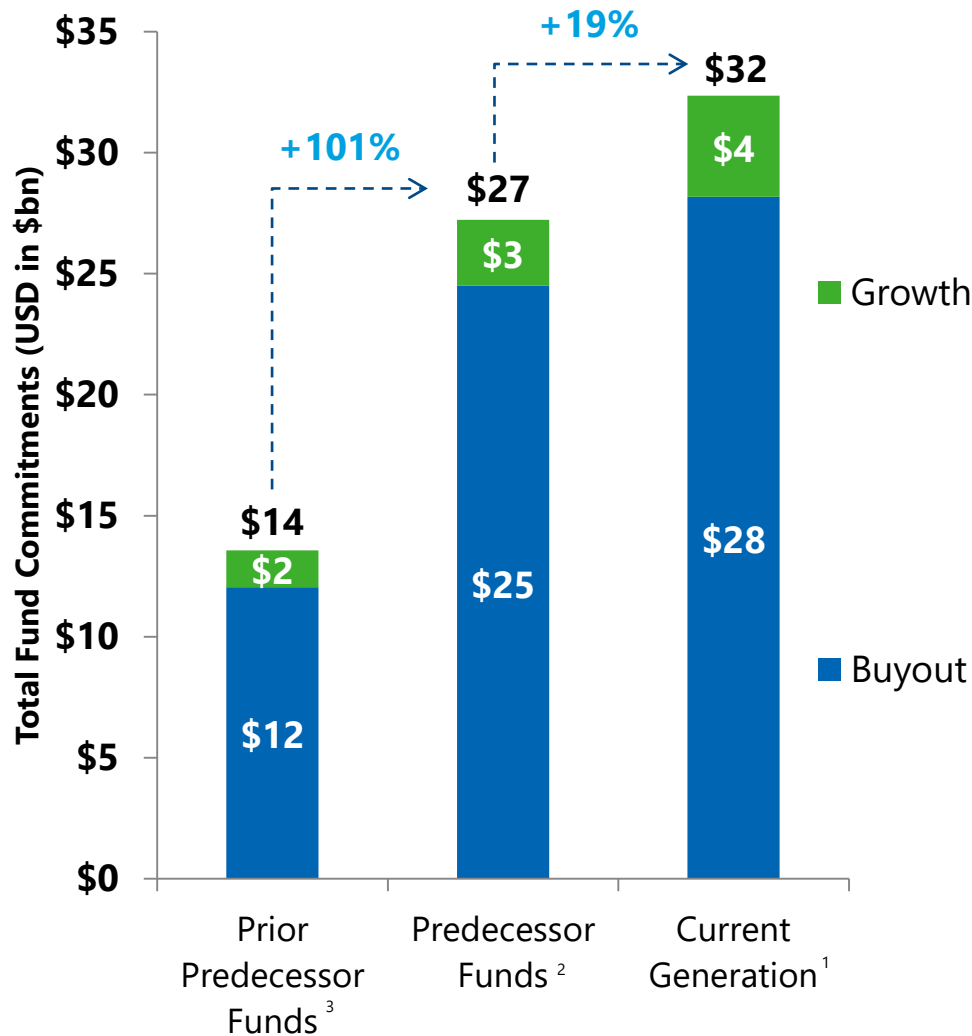
“Aging” of CPE investments remains diversified across years with 34% of RMFV invested in 2012 or earlier

Diverse set of public and private remaining investments supports continuous exit pipeline

Note: Data as of 9/30/2016.

1) Fair value of remaining carry fund capital in the ground; Totals may not sum due to rounding.

Larger Funds & New Products Drive Increased Scale Across CPE



New and successive buyout and growth funds help build superior global CPE scale and reach

Current generation and new funds are 20% larger than prior set of funds

Note: Data as of 9/30/2016. Non-USD funds translated at the 9/30/2016 spot rate. There is no guarantee these trends will continue.

- 1) Current Generation includes CP VI, CEP IV, CAP IV, CEOF II, CGFSP II, CJP III, CETP III, CSABF I, CSSAF I, CPF I, CGP, CCI, and depicts approximate target for next generation Asia growth fund. Excludes MENA and Mexico Buyout.
- 2) Predecessor funds include CP V, CEP III, CAP III, CEOF I, CGFSP I, CJP II, CETP II, CAGP IV
- 3) Prior predecessor funds include CP IV, CEP II, CAP II, CJP I, CUSGF III, CETP I, CAGP III

Carlyle's Private Equity Funds Have Performed Well Even When Investing Through Elevated Valuation Periods

Fund	Investing Period	Total Investments		Realized/Partially Realized	
		MOIC	Gross IRR	MOIC	Gross IRR
Carlyle Partners IV	2004 – 2007	2.4X	16%	2.4X	16%
Carlyle Partners V	2007 – 2012	1.9X	17%	2.6X	27%
Carlyle Europe Partners II	2003 – 2006	1.9X	36%	2.3X	49%
Carlyle Europe Partners III	2007 – 2013	2.2X	19%	2.6X	22%
Carlyle Asia Partners II	2006 – 2008	1.8X	11%	2.1X	14%
Carlyle Asia Partners III	2008 – 2012	1.9X	19%	1.7X	16%

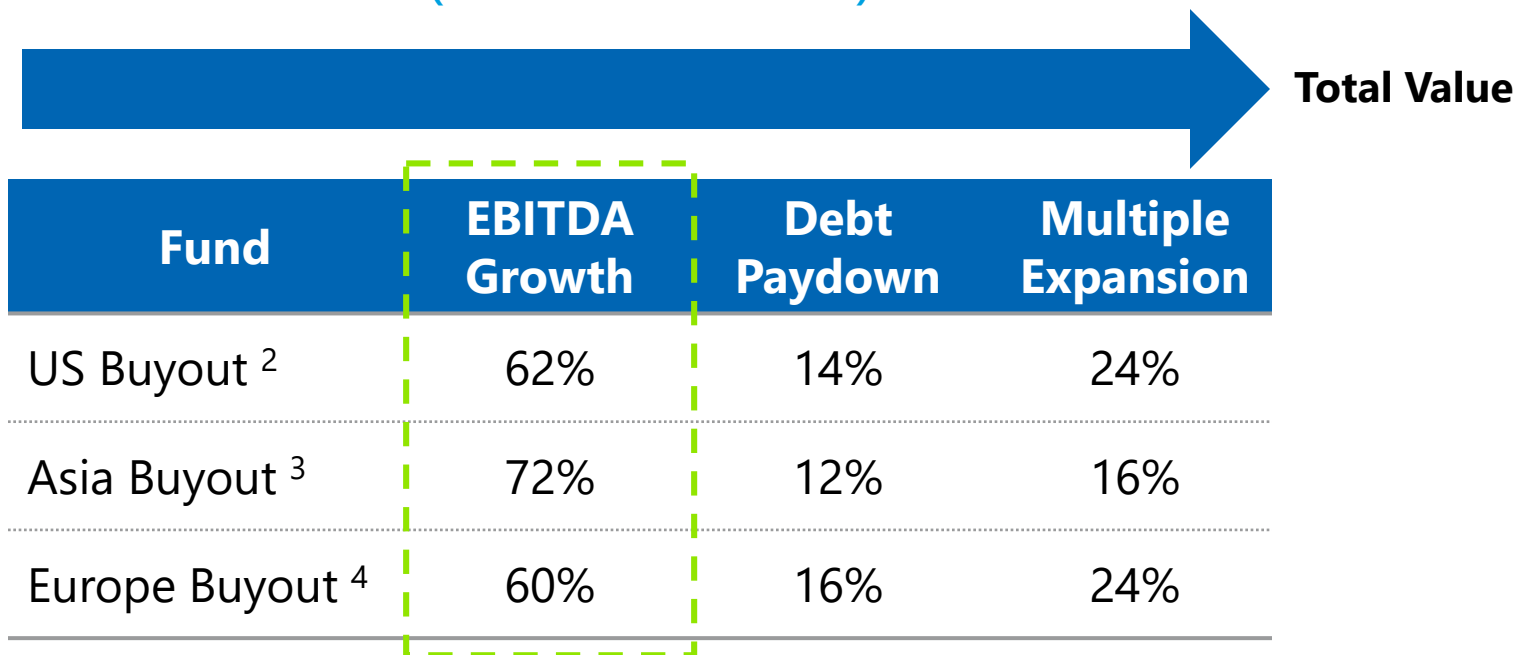
Note: Data as of 9/30/2016.

Investment period begins at fund inception date. Total Investments represents both realized as well as unrealized fund investments, while Realized/Partially Realized only represents fully realized investments or investments when total proceeds received represent at least 85% of invested capital and such investment is not fully realized. MOIC is multiple of invested capital. See "Important Information" for more information on the calculation of gross IRRs, gross MOIC, and realized and partially realized investments. Past performance is not indicative of future results and there is no guarantee these trends will continue.

CPE Portfolio Company Earnings Growth Drives Value Creation

Drivers of Value Creation ¹ (% of Value Created)

Equity Invested



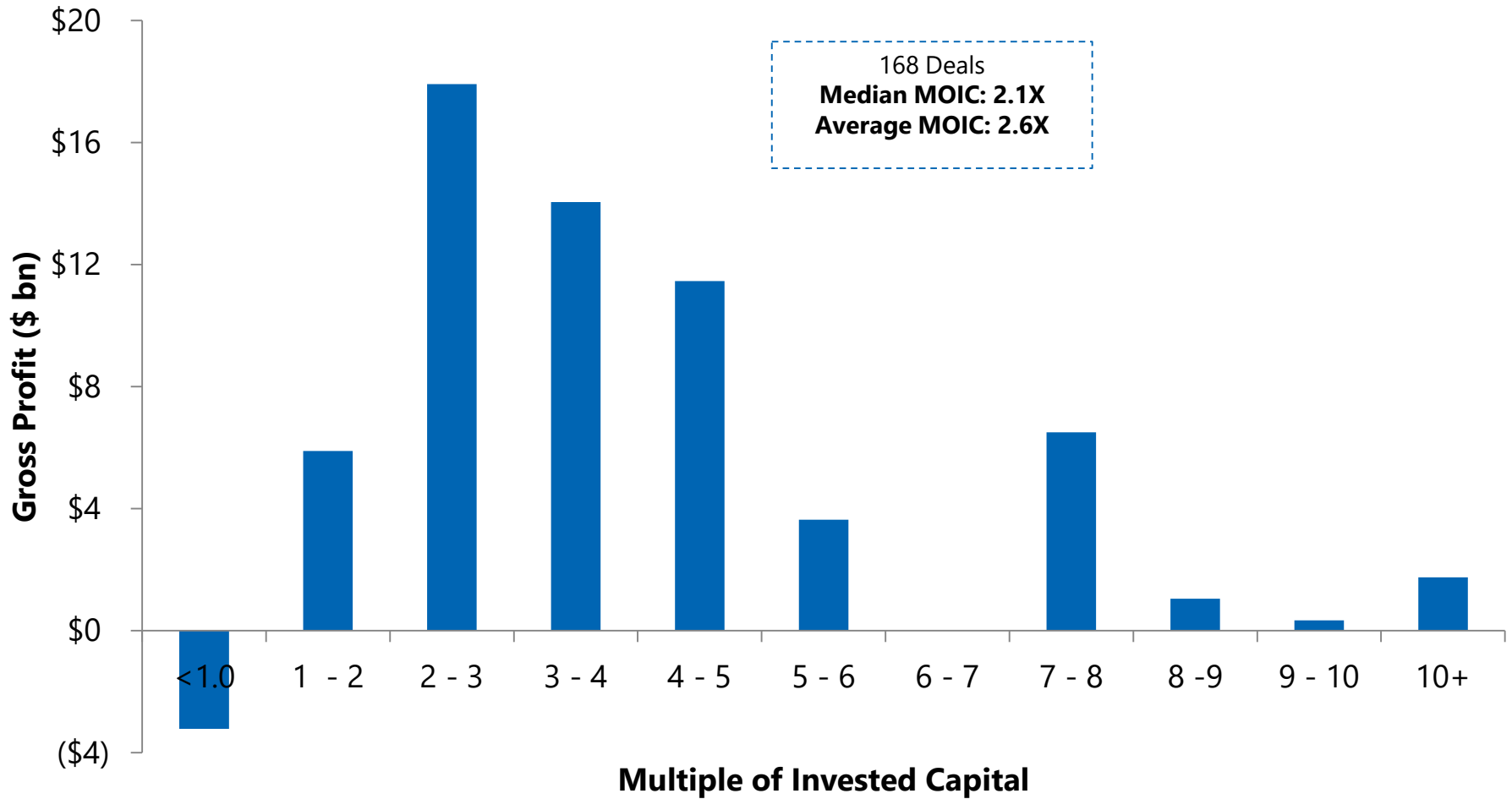
1) Includes both realized & unrealized deals for US Buyout, & includes only realized & partially realized deals for Europe Buyout. Asia buyout only reflects realized & partially realized investments, but includes the unrealized portion of partially realized investments. On the unrealized portion of partially realized investments, actual realized values may differ from the estimated values on which this slide is based. Past performance is not indicative of future results & there is no guarantee these trends will continue. See "Important Information" at the beginning of this presentation.

2) As of 6/30/2016 or most recent data available. Illustrates the source of value creation on all deals currently valued at greater than 1.0x in CP IV & CP V. Excludes coinvestment in deals acquired by CP IV & CP V.

3) As of 6/30/2016 or most recent data available. Excludes co-investment.

4) As of 6/30/2016 or most recent data available. Includes all fully realized & partially realized CEP transactions since inception with the exception of Bredbandsbolaget AB (venture led deal which is not representative of CEP strategy). The losses from realized transactions that have returned < 0.5x cost have been allocated to EBITDA growth, deleveraging, & multiple expansion on a pro-rata basis. Excludes co-investment.

CPE's Proven, Disciplined Investment Process Drives Consistent Returns



Note: Data as of 9/30/2016. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment.

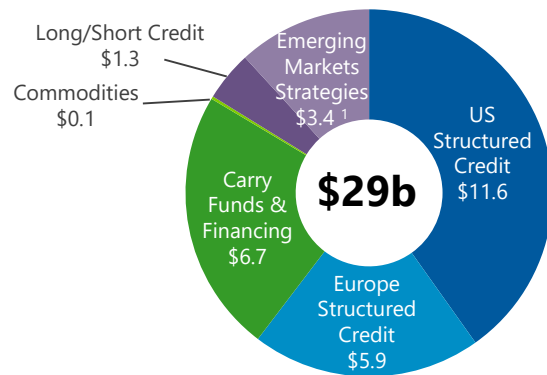
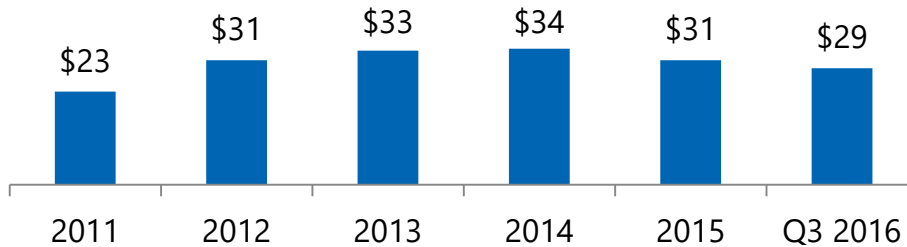
Past performance is not indicative of future results and there is no guarantee these trends will continue.

Global Market Strategies

(GMS)

GMS: Focused on Building a Larger Global Diversified Credit Platform

Fee-Earning Assets Under Management (\$bn)



Financial Metrics (\$mm)

	2013	2014	2015	LTM Q3 2016
Fee Related Earnings	\$86	\$64	\$12	\$(2)
Net Realized Perf. Fees	110	19	21	22
Distributable Earnings	214	91	39	22

Note: Data as of 9/30/2016. Our hedge fund partnerships have outstanding redemption requests of \$1.0 billion as of the beginning of Q4 2016.

1) During Q3 2016, we reached an agreement to transfer our ownership stake in Emerging Sovereign Group (ESG) back to ESG's founders. The transaction closed in October 2016.

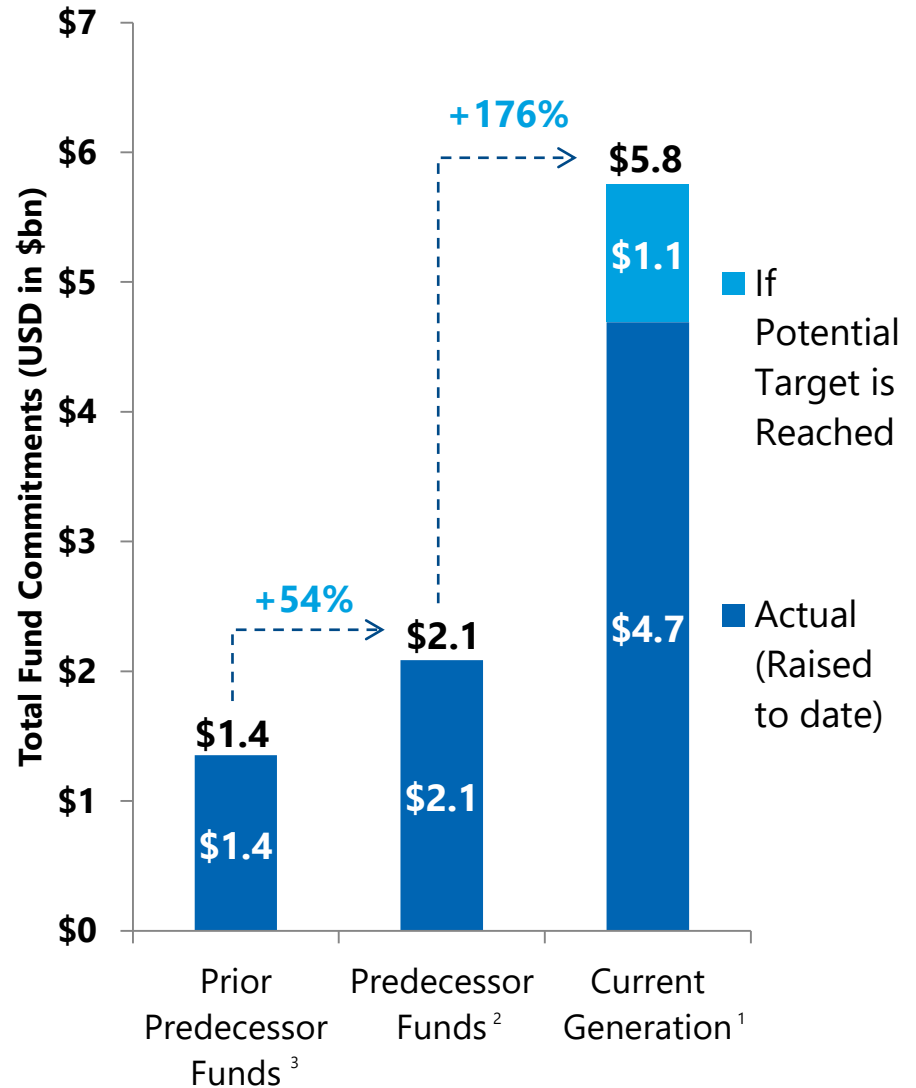
Key Points

- ❑ **Focused on enhancing a diversified and global credit and lending platform**
 - New credit leadership
 - Launched new mid-market credit fund with others in the pipeline
- ❑ **Scaling current Credit and Lending Platform**
 - \$19 bn US/Europe CLO business with strong margins
 - \$1 bn + BDC platform with incremental lending opportunities
- ❑ **Scaling carry fund platform**
 - Both new vintage Energy Mezzanine fund and Distressed funds at least twice the size of predecessor funds
- ❑ **Potential upside to Performance fees relative to prior years**
 - Future carry fund net realized performance fees could be multiples of prior years

GMS Carry Fund Platform Could Scale More than 2.5x Prior Generation

The GMS carry fund platform is broadening its reach and enlarging its global deployment capability

We see opportunities to raise pools of capital in new strategies



Note: Data as of 9/30/2016. There is no guarantee these trends will continue.

1) Current Generation includes actual and approximate target committed capital for our latest vintage energy mezzanine, distressed credit, and Asia structured credit funds. Excludes Corporate Mezzanine.

2) Predecessor funds include CEMOF I and CSP III.

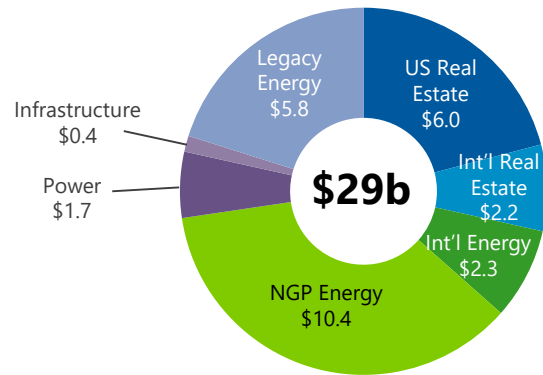
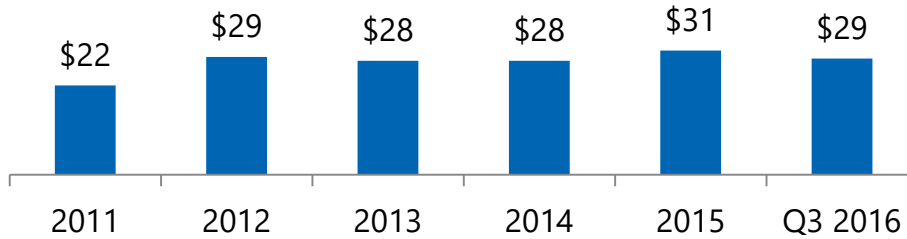
3) Prior predecessor funds include CSP II.

Real Assets

(RA)

Real Assets To Benefit From Growing Real Estate Platform and Opportunities in Natural Resources

Fee-Earning Assets Under Management (\$bn)



Financial Metrics (\$mm)

	2013	2014	2015	LTM Q3 2016
Fee Related Earnings	\$25	\$22	\$72	\$67
Net Realized Perf. Fees	45	58	95	73
Distributable Earnings	46	48	153 ¹	120

Note: Data as of 9/30/2016.

1) Excluding the impact of the French tax judgment of \$80m; Distributable Earnings were \$73m in 2015 including the impact.

2) Does not include dry powder of \$3+ billion from the Energy Mezzanine business in our Global Market Strategies segment.

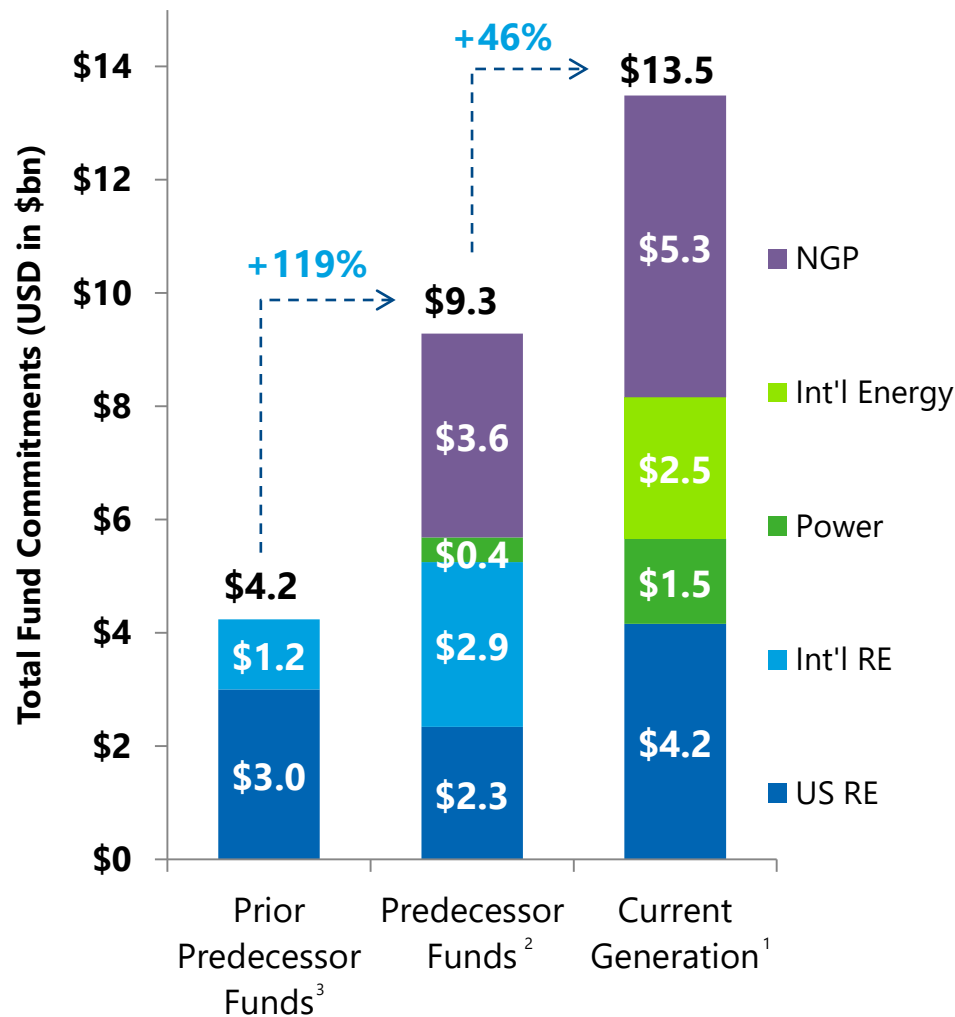
Key Points

- ❑ **US Real Estate business thriving and growing**
 - Strong performance and substantial scaling in opportunistic funds
 - Core Plus market an attractive opportunity to leverage USRE expertise

- ❑ **Dry powder opportunity in Natural Resources**
 - \$7bn in dry powder across NGP, International Energy and Power ²
 - Well-positioned to capitalize on current environment

- ❑ **New Fund Opportunities On The Horizon**
 - New global infrastructure fund
 - Other new products in development

Natural Resources & Real Estate Funds Scaling to Address a Broader Global Opportunity Set



Scaling in US Real Estate and build out of global natural resources platform has grown the go-forward revenue base substantially

Current generation and new funds are 46% larger than prior set of funds

Note: Data as of 9/30/2016, except where otherwise noted. Non-USD funds translated at the 9/30/2016 spot rate. Does not include commitments for any fund that has not had a first close. There is no guarantee these trends will continue.

1) Current Generation includes CRP VII, CIEP I, NGP XI, and CPP II

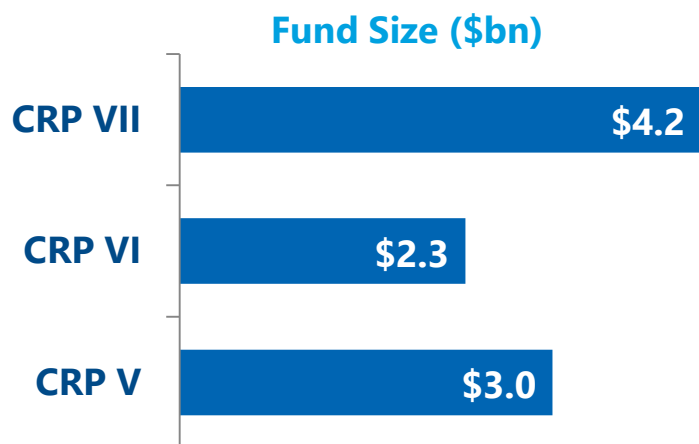
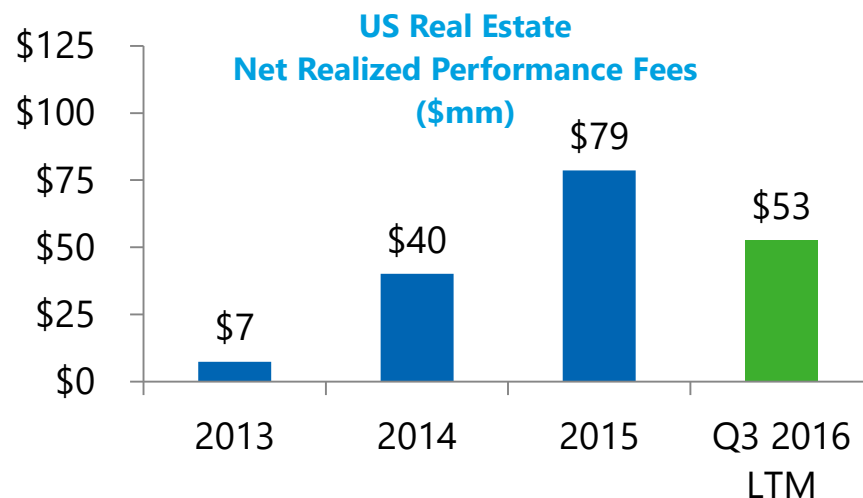
2) Predecessor funds include CRP VI, CEREP III, CAREP II, CPOCP and NGP X; Legacy Energy and Infrastructure (CIP I) are excluded

3) Prior predecessor funds include CRP V, CEREP II and CAREP I; Legacy Energy is excluded

US Real Estate Business is Thriving and Growing

Strong fund performance and exits drove NRPF acceleration in 2014-15

Latest vintage U.S. real estate fund is roughly 80% larger than predecessor fund



Vintage	Appreciation			Net IRR	MOIC
	2014	2015	YTD Q3 2016		
2014	NM	NM	24%	NM	1.2x
2011	35%	30%	12%	22%	1.8x
2006	15%	31%	13%	9%	1.6x

Note: Data as of 9/30/2016. There is no guarantee these trends will continue.

Our Natural Resources Platform Can Elevate Annual Equity Deployment and Generate Incremental Performance Fees in the Future

Natural Resources Platform Has Large Deployment Potential...

Fund	Promoted Fund Size (\$bn) ¹
Natural Gas Partners (NGP)	\$5.0
International Energy	\$2.3
Power ⁴	\$1.5
Total	\$8.8

...And Drive Upside to Run-Rate Performance Fees^{2,3}

If exit @ **2.0-2.5x** average investment performance....

= **\$115-170** million in Annual Net Realized Performance Fees once capital is fully deployed

Note: For illustrative purposes only. There is no guarantee this performance will be achieved. See "Important Information" for more information on the use of, and reliance on, projections.

- 1) Reflects current level of promoted equity in latest vintage fund. Does not assume additional for funds currently still fundraising.
- 2) Through Q1 2016, NGP and International Energy have not yet contributed net realized performance fees to Carlyle's earnings
- 3) Exits assumed to be at 2.0 – 2.5X multiple of invested capital and realized over a 5-year period, once assets are deployed. Gains adjusted for promoted capital rate, management fee impact, and estimated in-carry ratio. Carlyle's weighted carry ownership is approximately 50% across NGP carry funds, International Energy and Power.
- 4) Reflects final close on our 2nd Power fund, which took place in early April 2016

Carlyle Has Nearly \$11 Billion to Deploy into the Energy Sector

	Fund Family	Investment Focus	AUM¹ (\$bn)	Dry Powder¹ (\$bn)	Performance Fee Ownership
Real Assets	Natural Gas Partners ²	North American E&P / Midstream	\$11.3	\$4.5	NGP X: 40% NGP XI/Future: 47.5%
	International Energy	International Oil & Gas	\$2.7	\$1.9	55%
	Power	North American Power	\$2.1	\$1.0	55%
GMS	Energy Mezzanine	Oil & Gas Structured Production Finance	\$4.5	\$3.5	55%
Subtotal			\$20.6	\$10.9	
	Legacy Energy (Riverstone)		\$6.3	\$0.9	~20% (blended, varies by fund)

1) Reflects AUM and Dry Powder as of 9/30/2016.

2) AUM reflects all NGP funds. Dry Powder reflects only funds in which Carlyle owns a stake in performance fee revenue.

Legacy Energy's Diminishing Impact

- ❑ Limited fee economics (\$6 mm in 2015) relative to Fee-Earning AUM (\$6 bn)
- ❑ Decline in performance fees more than offset by increases in other Real Assets funds
- ❑ Worst-case clawback liability: \$86 mm DE
 - DE clawback occurs only if Legacy Energy funds conclude in a clawback position
 - Worst case DE case equivalent to 3% of trailing 3-years of firm-wide DE

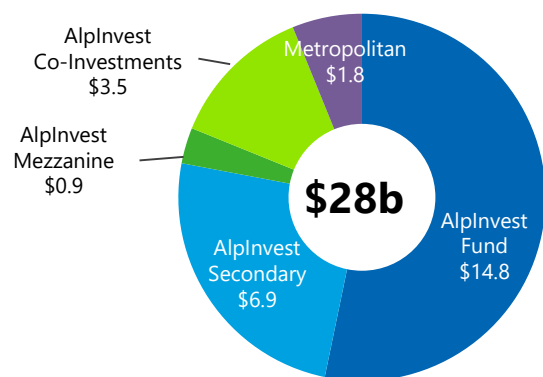
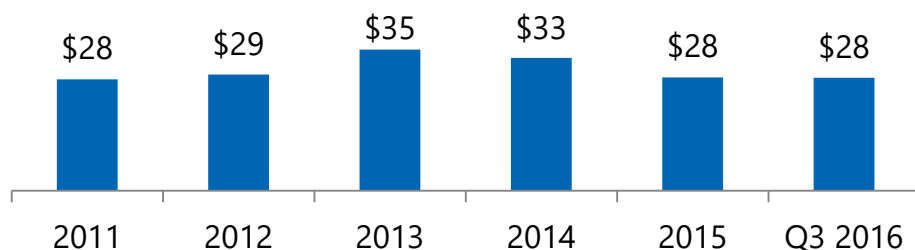
		2011	2012	2013	2014	2015	Q3 2016 LTM
Fee-Earning AUM (\$bn)	Total Real Assets	\$22.2	\$29.3	\$28.4	\$28.4	\$30.9	\$28.9
	Legacy Energy	\$12.1	\$9.0	\$8.5	\$7.2	\$5.8	\$5.8
	<i>% of Segment</i>	54%	31%	30%	25%	19%	20%
Management Fee Revenue (\$mm)	Total Real Assets	\$150.7	\$141.0	\$188.9	\$223.8	\$255.9	\$250.8
	Legacy Energy	\$16.7	\$11.1	\$10.0	\$7.5	\$6.2	\$5.4
	<i>% of Segment</i>	11%	8%	5%	3%	2%	2%
Net Realized Performance Fees (\$mm)	Total Real Assets	\$89.6	\$99.3	\$44.5	\$58.4	\$94.7	\$73.2
	Legacy Energy	\$83.7	\$93.0	\$37.7	\$18.3	\$4.7	\$0
	<i>% of Segment</i>	93%	94%	85%	31%	5%	0%

Note: Data as of 9/30/2016. Worst case legacy energy clawback ENI amount assumes all Riverstone related funds and positions fall into a full clawback position. As of 9/30/2016, \$76 million on clawback related to legacy energy has been accrued through ENI, and no legacy energy clawback has yet been paid by Carlyle.

Investment Solutions

Investment Solutions Overview

Fee-Earning Assets Under Management¹ (\$ bn)



Financial Metrics (\$ mm)

	2013	2014	2015	LTM Q3 2016
Fee Related Earnings	\$32	\$32	\$9	\$16
Net Realized Perf. Fees	7	12	4	3
Distributable Earnings	40	44	13	19

Note: Data as of 9/30/2016.

1) We commenced a wind-down of the operations of Diversified Global Asset Management in Q1 2016, which had approximately \$0.2 billion of Fee-Earning AUM as of 9/30/2016.

2) Includes impact from foreign exchange gain/loss in underlying fund investments

Key Points

- ❑ **AlplInvest has great investment performance with performance fee upside**
 - 12% net IRR & 1.5x MOIC with 2015 appreciation of 27%²
 - Performance fees could improve on post acquisition funds over time

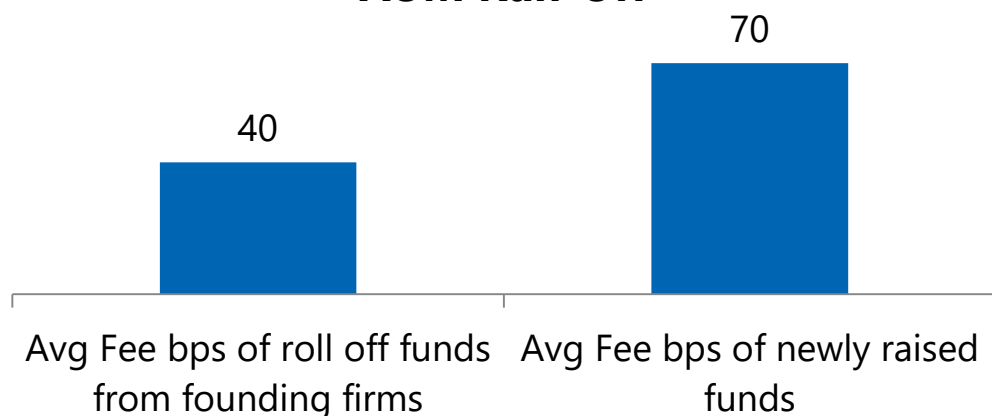
- ❑ **Next Generation & New Product Opportunity**
 - Currently fundraising for AlplInvest secondaries program with \$6 billion target
 - MRE raised \$550 million for secondaries and co-investment opportunities

- ❑ **Effective management fee rate should rise over time**
 - New commitments should have higher fee yield
 - Expect former owner commitments to drive continued FEaum runoff

AlInvest: Exceptional Investment Performance and Positioning for Future Impact to CG Financial Results

Latest Fully Invested Vehicles	Vintage	Gross MOIC	Net IRR
Main Fund V – Fund Investments	2012	1.1X	7%
Main Fund IV – Secondaries	2010	1.6X	18%
Main Fund V – Coinvestments	2012	2.0X	33%
Overall AlInvest (since inception)		1.5x	12%

Improving Fee Yield Will Offset Some AUM Run-Off¹

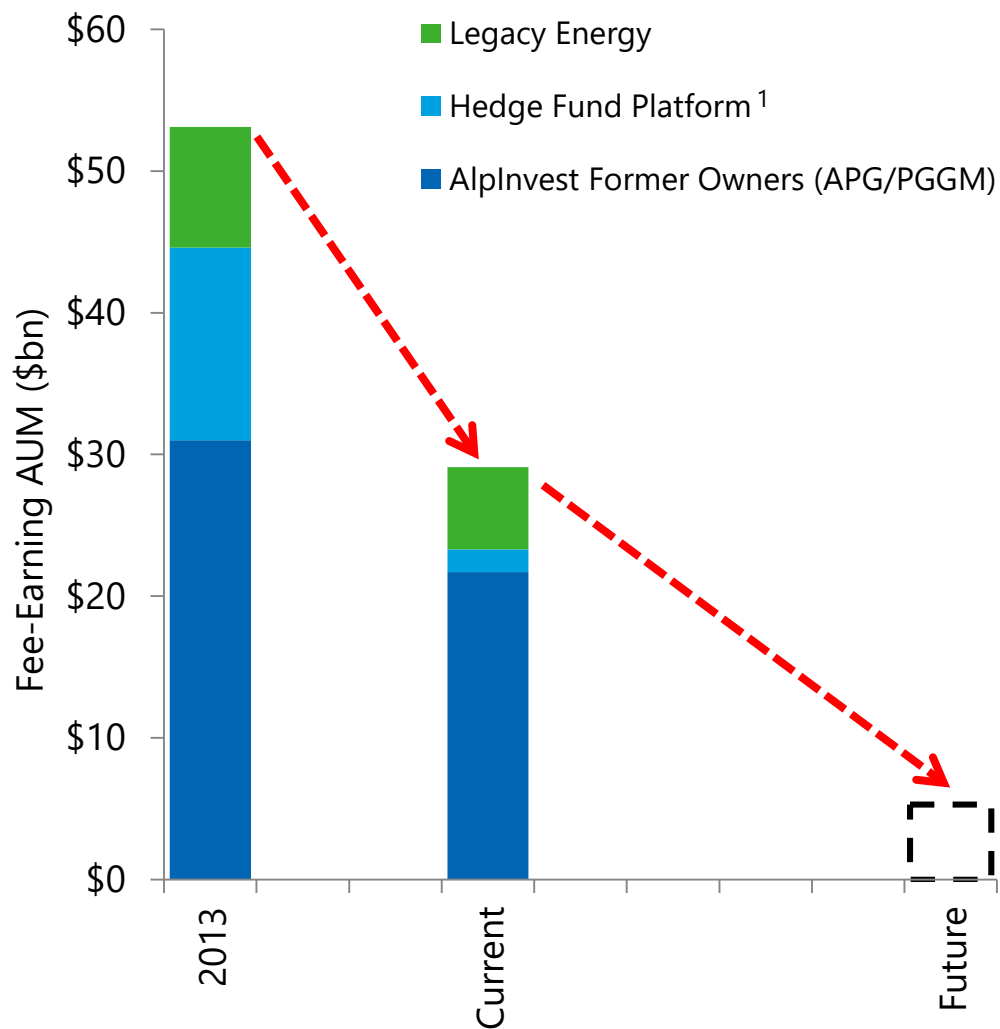


- ❑ **Carlyle’s share of AlInvest net performance fees will increase as vehicles launched post our 2011 acquisition move through a European waterfall**
 - Back-end weighted
 - CG share of profits: up to 40%
- ❑ **Newly raised capital coming on line at much higher average fee rates relative to rolling off capital**
 - AlInvest in process of raising a new Secondaries fund
- ❑ **AlInvest will see pressure on Fee-Earning AUM as its former founders contribute less capital**
 - Estimate \$10 billion over the next five years

Note: Data as of 9/30/2016.

1) For illustrative purposes only. Data approximate as of Q2 2016.

Non-Cyclical Fee-Earning AUM Runoff is Coming from Areas with Lower Fee Economics



Fee-Earning AUM from our hedge fund and legacy energy platforms has a lower effective fee yield due to partial ownership structures

Commitments from AlInvest's former owners are expected to continue at lower levels going forward, replaced by higher yielding capital

Note: Reflects Management's views as of 11/16/16. Please see "Important Information" slides for information about the use of and reliance on projections.

1) During Q3 2016, we reached an agreement to transfer our ownership stake in Emerging Sovereign Group (ESG) back to ESG's founders. The transaction closed in October 2016, and therefore ESG's reported fee-earning AUM as of 9/30/16 is excluded from the "Current" figures.

Summary Financial Results

Pre-tax Segment Measures (\$ million)	Quarterly				Annual				
	4Q15	1Q16	2Q16	3Q16	2012	2013	2014	2015	LTM
Revenue									
Management & Transaction Fees	287	303	288	266	993	1,105	1,303	1,223	1,145
Performance Fees	197	148	210	255	996	2,293	1,708	910	811
Investment, Interest & Other Income	6	(0)	34	19	55	(30)	12	(0)	59
Total Revenue	491	451	533	540	2,044	3,369	3,022	2,132	2,014
Direct & Indirect Base Compensation	154	162	147	144	562	589	683	650	607
Equity Based Compensation	31	31	31	33	2	16	80	122	126
Performance Fee Compensation	88	73	95	113	481	1,102	901	518	368
General & Administrative, Interest & Other Expense	139	90	94	189	252	353	374	421	512
Depreciation & Amortization	7	7	7	7	22	24	22	26	29
Total Expenses	418	363	374	486	1,318	2,084	2,060	1,736	1,641
Economic Net Income	73	88	158	54	726	1,285	962	397	373
(-) Net Performance Fees ¹	109	75	115	142	515	1,191	807	392	442
(-) Investment Income (Loss)	1	(6)	29	13	42	(43)	(11)	(22)	37
(+) Equity Based Compensation	31	31	31	33	2	16	80	122	126
(+) Reserve for Litigation and Contingencies	50	-	-	100	-	-	-	50	150
Fee Related Earnings	43	51	45	31	171	152	247	199	170
(+) Realized Net Performance Fees ¹	100	70	233	186	501	675	733	789	590
(+) Realized Investment Income (Loss)	2	8	9	11	16	11	(6)	(65)	30
Distributable Earnings	145	129	288	228	689	837	973	923	789
Per Unit Measures									
Economic Net Income Per Unit (after-tax)	\$0.24	\$0.18	\$0.35	\$0.21	\$3.55	\$2.68	\$1.15	\$0.98	\$0.98
Distributable Earnings Per Common Unit (after-tax)	\$0.38	\$0.35	\$0.84	\$0.66	\$2.50	\$2.78	\$2.73	\$2.23	\$2.23
Distribution per Common Unit	\$0.29	\$0.26	\$0.63	\$0.50	\$1.88	\$2.09	\$2.07	\$1.68	\$1.68

Note: Data as of 9/30/2016.

See "Selected Financial Data" in Carlyle's periodic and annual reports filed with the U.S. Securities and Exchange Commission. Performance fee revenue net of related compensation expense.

Strong Balance Sheet

Key Balance Sheet Items¹ (\$ million)	9/30/2016
Cash and Cash Equivalents and Corporate Treasury Investments²	\$1,138
Net accrued performance fees (net of giveback and accrued performance fee compensation)	\$1,170
Investments attributable to Carlyle unitholders³	\$517
Loans Payable and Senior Notes	\$1,277
Drawn revolving credit line (\$750 million capacity)	-

1) Balance sheet amounts are shown without the impact of certain Carlyle funds that are required to be consolidated on its financial statements.

2) Corporate treasury investments represent investments in U.S. Treasury and government agency obligations, commercial paper, certificates of deposit, other investment grade securities and other investments with original maturities of greater than three months when purchased.

3) Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.

Key Metrics for “The Carlyle Engine”

Carlyle Group Carlyle Engine Data

Quarterly Data								
	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Total AUM(1) (\$ bn)	194.5	192.7	192.8	187.7	182.6	178.1	175.6	169.1
Corporate Private Equity	64.7	64.0	63.6	63.1	63.1	61.1	57.6	54.6
Global Market Strategies	36.7	36.3	36.4	35.5	35.3	34.0	34.7	34.1
Real Assets	42.3	42.9	42.2	40.2	38.0	36.7	37.5	35.7
Investment Solutions	50.8	49.4	50.7	48.9	46.2	46.3	45.7	44.7
Fee-Earning AUM(1) (\$ bn)	135.6	129.4	130.0	128.1	131.0	130.3	125.3	123.8
Corporate Private Equity	40.2	39.4	40.3	40.7	40.9	40.9	38.9	37.8
Global Market Strategies	33.9	32.0	31.3	29.5	31.0	28.6	28.7	29.0
Real Assets	28.4	27.6	28.1	28.5	30.9	30.7	30.4	28.9
Investment Solutions	33.1	30.5	30.3	29.4	28.2	30.2	27.2	28.1
Fundraising(2)(3) (\$ bn)	4.9	4.4	4.7	4.6	2.7	0.1	3.6	1.8
Corporate Private Equity	2.8	1.7	1.9	2.8	1.6	0.1	0.3	0.4
Global Market Strategies	1.2	0.4	1.2	0.8	0.6	(0.5)	1.6	1.1
Real Assets	1.8	2.0	0.6	0.9	0.3	0.2	0.5	0.2
Investment Solutions	(0.8)	0.3	1.0	0.1	0.1	0.3	1.2	0.1
Equity Invested(4) (\$ bn)	1.6	1.5	1.6	1.8	4.0	3.9	2.9	1.6
Corporate Private Equity	0.6	0.8	0.9	0.7	2.7	3.3	1.4	0.5
Global Market Strategies	0.1	0.1	0.0	0.2	0.3	0.1	0.1	0.1
Real Assets	0.9	0.6	0.6	0.9	1.0	0.6	1.4	1.0
Realized Proceeds(4) (\$ bn)	5.6	4.6	5.8	3.7	4.0	3.2	5.3	6.6
Corporate Private Equity	4.2	3.4	4.5	2.6	2.3	2.3	4.0	4.8
Global Market Strategies	0.1	0.2	0.1	0.1	0.1	0.0	0.2	0.2
Real Assets	1.3	1.0	1.1	1.0	1.6	0.8	1.1	1.6
Carry Fund Appreciation(6)	1%	6%	3%	(4%)	2%	1%	5%	3%
Corporate Private Equity	7%	8%	5%	(3%)	3%	1%	4%	3%
Global Market Strategies	(2%)	3%	2%	(9%)	(4%)	(12%)	(2%)	(0%)
Real Assets	(8%)	2%	0%	(5%)	(0%)	1%	7%	4%

Annual Data										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total AUM(1) (\$ bn)	80.6	86.3	89.8	107.5	147.0	170.2	188.8	194.5	182.6	169.1
Corporate Private Equity	48.5	45.2	48.8	56.3	51.1	53.3	64.9	64.7	63.1	54.6
Global Market Strategies	10.4	13.9	13.3	20.6	24.5	32.5	35.5	36.7	35.3	34.1
Real Assets	21.7	27.3	27.7	30.6	30.7	40.2	38.7	42.3	38.0	35.7
Investment Solutions	n/a	n/a	n/a	n/a	40.7	44.1	49.8	50.8	46.2	44.7
Fee-Earning AUM(1) (\$ bn)	64.8	76.3	75.4	80.8	111.0	123.1	139.9	135.6	131.0	123.8
Corporate Private Equity	36.6	40.2	40.4	38.9	38.0	33.8	43.0	40.2	40.9	37.8
Global Market Strategies	8.3	13.4	12.5	19.0	23.2	31.0	33.4	33.9	31.0	29.0
Real Assets	20.0	22.8	22.5	22.9	22.2	29.3	28.4	28.4	30.9	28.9
Investment Solutions	n/a	n/a	n/a	n/a	27.7	28.9	35.1	33.1	28.2	28.1
Fundraising(2)(3) (\$ bn)	31.2	20.1	1.2	4.2	6.6	14.0	22.0	24.3	16.4	5.5
Corporate Private Equity	18.8	5.5	0.3	2.4	1.6	7.8	11.8	7.6	8.0	0.8
Global Market Strategies	4.7	6.3	0.1	0.3	2.4	5.2	5.7	6.9	2.9	2.2
Real Assets	7.6	8.3	0.8	1.5	2.1	0.3	2.0	9.2	3.9	0.9
Investment Solutions	n/a	n/a	n/a	n/a	0.5	0.6	2.5	0.5	1.6	1.7
Equity Invested(4) (\$ bn)	14.5	12.0	5.0	10.1	11.3	8.0	8.2	9.8	8.9	8.5
Corporate Private Equity	9.3	4.9	2.0	5.4	7.5	4.2	4.8	6.8	5.2	5.2
Global Market Strategies	0.5	0.7	0.5	0.8	0.8	0.6	0.8	0.6	0.6	0.3
Real Assets	4.7	6.4	2.5	3.9	3.0	3.2	2.5	2.5	3.1	2.9
Realized Proceeds(4)(5) (\$ bn)	8.9	2.0	2.1	8.2	17.6	18.8	17.4	19.7	18.1	15.1
Corporate Private Equity	6.2	1.1	0.9	5.3	11.4	12.1	12.2	14.3	12.8	11.2
Global Market Strategies	0.1	0.2	0.2	0.8	1.0	1.1	1.0	0.7	0.5	0.3
Real Assets	2.6	0.7	1.0	2.1	5.2	5.5	4.1	4.7	4.8	3.6
Carry Fund Appreciation(6)		(22%)	8%	34%	16%	14%	20%	15%	7%	9%
Corporate Private Equity		(23%)	9%	46%	16%	16%	30%	23%	13%	8%
Global Market Strategies		(46%)	43%	38%	9%	23%	28%	20%	(8%)	(13%)
Real Assets		(18%)	3%	15%	16%	9%	1%	(2%)	(3%)	13%

Note: segments may not add to total due to rounding; For definitions of the operating metrics above, please see The Carlyle Group LP's filings with the Securities and Exchange Commission.

- 1) For purposes of aggregation, funds denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the end of each period presented.
- 2) For purposes of aggregation, commitments denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the date of closing of such commitment.
- 3) Excludes acquisitions.
- 4) Amounts represent Carry Fund transactions only (including related coinvestments). Does not include hedge funds, mutual funds, structured credit funds, NGP management fee funds or fund of funds vehicles. For purposes of aggregation, transactions denominated in a currency other than U.S. Dollars have been converted at the average rate for the period presented.
- 5) Years before 2011 are presented using Distributions to fund investors, 2011 to present are Realized Proceeds.
- 6) Appreciation / (Depreciation) represents unrealized gain / (losses) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: Ending Remaining Investment FMV plus net investment outflow (sales proceeds minus net purchases) minus Beginning Remaining Investment FMV divided by Beginning Remaining Investment FMV. Excludes external coinvestment.

Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)						Annual				
	3Q15	4Q15	1Q16	2Q16	3Q16	2012	2013	2014	2015	LTM
Income (loss) before provision for income taxes	\$ (529)	\$ (158)	\$ 15	\$ 68	\$ (50)	\$ 2,440	\$ 1,444	\$ 992	\$ 402	\$ (125)
Adjustments:										
Partner compensation(1)	-	-	-	-	-	(265)	-	-	-	-
Equity-based compensation issued in conjunction with the initial public offering, acquisitions and strategic investments(2)	55	58	45	79	51	200	314	269	260	233
Acquisition related charges, including amortization of intangibles and impairment	210	41	18	22	28	128	260	243	289	108
Other non-operating expense (income)	(10)	4	4	1	(4)	7	(17)	(30)	(7)	5
Tax (expense) benefit associated with performance fee compensation	(5)	5	(3)	(11)	(2)	(9)	(35)	(25)	(15)	(12)
Net (income) loss attributable to non-controlling interests in Consolidated entities	152	120	2	(2)	29	(1,757)	(676)	(486)	(538)	149
Severance and other adjustments	(1)	4	7	1	2	(17)	(5)	-	6	14
Economic Net Income	\$ (128)	\$ 73	\$ 89	\$ 158	\$ 54	\$ 726	\$ 1,285	\$ 962	\$ 397	\$ 373
(-) Net Performance Fees	(149)	109	75	115	142	515	1,191	807	392	442
(-) Investment Income (Loss)	(6)	1	(6)	29	13	42	(42)	(11)	(22)	37
(+) Equity-Based Compensation	31	31	31	31	33	2	16	80	122	126
(+) Reserve for litigation and contingencies	-	50	-	-	100	-	-	-	50	150
Fee Related Earnings	\$ 57	\$ 43	\$ 51	\$ 45	\$ 31	\$ 171	\$ 152	\$ 247	\$ 199	\$ 170
(+) Realized Net Performance Fees	177	100	70	233	186	501	675	733	789	590
(+) Realized Investment Income (Loss)	9	2	8	9	11	16	11	(6)	(65)	30
Distributable Earnings	\$ 244	\$ 145	\$ 129	\$ 288	\$ 228	\$ 689	\$ 837	\$ 973	\$ 923	\$ 789
(+) Depreciation & Amortization	7	7	7	7	7	22	24	22	26	29
(+) Interest Expense	14	15	15	16	16	25	44	56	58	61
Distributable EBITDA	\$ 265	\$ 167	\$ 151	\$ 310	\$ 251	\$ 736	\$ 905	\$ 1,051	\$ 1,007	\$ 879

Note: Data as of 9/30/2016.

- Adjustments for partner compensation reflect amounts due to senior Carlyle professionals for compensation and performance fees allocated to them, which amounts were classified as distributions from partner's capital in the consolidated financial statements for periods prior to the reorganization and initial public offering in May 2012.
- Other Adjustments are comprised of losses associated with early extinguishment of debt, severance and lease terminations, provisions for income taxes attributable to non-controlling interests in consolidated entities, and gains on business acquisitions.